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Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-95-022 *2 February 1995*

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Almaty To Host Summit on 10 Feb; Details of Agenda

LD0102172895 Moscow ITAR-TASS in English 1432 GMT 1 Feb 95

[By BELINFORM correspondent Aleksandr Lyushkevich for TASS]

[FBIS Transcribed Text] Minsk February 1 TASS—Heads of state and prime ministers of the Commonwealth of Independent States are to meet in Almaty (Kazakhstan) on February 10. Press service of the CIS headquarters confirmed the date on Wednesday.

According to the press service, CIS heads of state will consider a package of documents intended as supplements to the treaty of collective security of CIS member states. One of the most important papers to be discussed refers to intensifying military cooperation among the parties to the treaty.

CIS heads of state will also pay much attention to fostering economic cooperation within the Commonwealth. It is expected that they will discuss documents needed for founding a customs association and forming a unified customs space. They will also consider establishing a Joint Currencies Committee.

They will also deliberate upon a package of documents on the forthcoming festivities to mark the 50th anniversary of victory in the Great Patriotic War (1941-45). In particular, they are expected to issue an appeal to the peoples of the Commonwealth and the world community; and coordinate proposed measures aimed at improving social security of the war veterans.

Draft agenda for the summit includes a discussion on a memorandum on keeping peace and stability in the Commonwealth proposed by Kazakh President Nursultan Nazarbayev. "This initiative was prompted by the situation in Chechnya," Nazarbayev said earlier.

CIS heads of state will also discuss a plan for guarding the external frontiers of the Commonwealth.

CIS premiers will consider a package of economic issues. In particular, they will discuss establishing an interstate council for social security and health of citizens who have suffered from high radioactivity levels; problems of regulating interstate economic relations; improvements to be introduced in railway tariffs system and mutual settlements among national railways; humanitarian support for refugees and displaced persons.

ITAR-TASS Carries Press Review for 2 Feb

LD0202071795 Moscow ITAR-TASS in English 0649 GMT 2 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 2—The Chechen conflict and its possible consequences remain the main topics of today's Russian newspapers.

"Although the end of the Chechen war is not in the offing, the Kremlin does not look like a military-political headquarters these days," the IZVESTIYA newspaper writes. According to the daily, the president's office is now engaged in drafting the annual presidential address to the Federal Assembly (eds: Russian parliament).

It is expected that the president will declare that political and economic reforms in Russia will be continued without any reservations and firmly. Democratic elections will be held in preset periods. There will be no deprivatisation in Russia.

The newspaper writes that the president is expected to issue an unequivocal signal to democrats that he remains loyal to democratic principles. Speaking about the danger of a growth in the budget deficit, the president's assistant A. Lifshits told IZVESTIYA that "if combat operations in Chechnya will continue for a long period, we shall face a 'Chechen' inflation".

According to the newspaper, Vice-Premier Nikolay Yegorov, Defence Minister Pavel Grachev and Director of the Federal Counterintelligence Service Sergey Stepashin will possibly resign because of unsuccessful operations in Chechnya.

Salambek Khadzhiyev, head of the Chechen Government of National Revival, said in an interview with IZVESTIYA: "The Russian Army in Chechnya is fighting not only against Dudayev and not so much against him as against the Russian mafia, interests of which spread to our republic".

member of the Russian Academy of Sciences Aleksey Podberezkin expresses his ideas in the ROSSIISKAYA GAZETA newspaper of why liberal and radical democrats are not interested in a strong state.

Writing about the Chechen crisis, the academician says that a conflict situation is rising between the West and the East, and Russia should play the role of a shield "between the two hostile races".

According to Podberezkin, Russia for the West is not desirable as a state, irrespective of its political system. "Chechnya is an examination, as it were, for Moscow: Will the levels of administration remain in the hands of the government?" asks Podberezkin.

ROSSIISKAYA GAZETA claims that the report by Russian human rights commissioner Sergey Kovalev did not produce a ballyhoo at the Council of Europe parliamentary assembly.

ROSSIISKAYA GAZETA starts publishing the results of an extensive sociological investigation carried out by the daily together with ITAR-TASS, the experimental sociology institute and the Centre for Applied Political Research "Indem".

This work was done to forecast a political behaviour by active segments of Russian society and their possible response to the prolongation of powers of supreme state

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bodies. The newspaper carries the first section of the investigation—"position of intellectuals in present-day society".

"The Chechen crisis substantially changed the balance of forces and the general situation at the Russian parliament," Mikhail Afanasyev, staff member of the analytical centre at the Russian president, writes in the NEZAVISIMAYA GAZETA newspaper.

In Afanasyev's opinion, "the Russian Communist Party and the Russian Agrarian Party, allied with Communists, stood to gain the greatest benefits from the presidential military campaign in Chechnya".

NEZAVISIMAYA GAZETA reports the results of the Chechen war: 170,610 refugees, "invalidisation of population" (term was coined by Anatoliy Demenkov, head of the medical service department of the Russian Ministry of Public Health and Medical Industry), the threat of cholera with the advent of spring, the fully devastated city of Groznyy and destruction of highways and railways as well as public utilities.

The Army newspaper KRASNAYA ZVEZDA fully devotes its pages to the Chechen events. "However, this does not mean that the situation in another 'flash point'—Tajikistan—has stabilised: the war is raging there too," the newspaper writes.

The analysis of the situation as well as forecasts by specialists do not preclude a chance that "a second front" may open in Tajikistan in the spring as a soon as passes will be free from snow, KRASNAYA ZVEZDA notes.

The SOVETSKAYA ROSSIYA newspaper is fully devoted to the third congress of the Russian Communist Party. The newspaper prints virtually all documents of the congress.

The daily also carries "the decision on the fratricidal war in the Chechen Republic and on measures to pull out of the crisis", as well as "the address to citizens of Russia".

The ROSSIISKIYE VESTI newspaper features an interview with chairman of the Russian Press Committee Sergey Gryzunov given to the newspaper's editor-in-chief Valeriy Kucher. The interview is devoted to a search for a new formula of relations between authorities and the press.

Russia may be rocked by a strong earthquake n the near future which will be as powerful as the January quake in the Japanese city of Kobe. This report by minister for emergencies Sergey Shoygu was confirmed by Gennadiy Sobolev, director of the Seismology Institute of the United institute of Earth's Physics.

"The data of the ministry for emergencies on a possible earthquake on the Kamchatka Peninsula fully coincide with our data," the scholar said in an interview with the KOMSOMOLSKAYA PRAVDA newspaper.

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Moscow Favors Signing Comprehensive Test Ban Treaty in 1995

LD0102185995 Moscow ITAR-TASS in English 1831 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow February 1 TASS—Russia favours signing the comprehensive Test Ban Treaty as early as this year, the Russian Foreign Ministry said on Wednesday in reply to the United States decision to extend a moratorium on nuclear tests. A Russian Foreign Ministry statement released on Wednesday said:

"Russia reacts positively to U.S. President Bill Clinton's decision to extend a moratorium on nuclear tests until a treaty on a comprehensive ban of such tests comes in force.

"Russia's position on this problem remains consequent. We have initiated an indefinite trilateral moratorium on nuclear tests and intend to firmly keep it as long as similar moratoriums announced by other nuclear powers are adhered to de-facto or dejure. We have repeatedly called on other nuclear powers to act in this way.

"It would be appropriate to remind in this connection that in the course of Russian-American summits in Moscow in January and Washington in September 1994, Presidents Boris Yeltsin and Bill Clinton confirmed Russia's and the United States' adherence to reaching, in the shortest time, an international treaty on the comprehensive nuclear test ban, and agreed that it would be desirable to extend their relevant moratoriums on nuclear tests. "In an address to the 49th session of the United Nations General Assembly, Russian President Boris Yeltsin urged the acceleration of these talks and spoke for the signing of the comprehensive nuclear Test Ban Treaty as early as in 1995, when the 50th anniversary of the United Nations Organization would be marked. The Russian delegation at the Conference on Disarmament has been given the appropriate instructions, and we are satisfied with the shifts in a mandate of the American delegation announced by the U.S. Administration."

Russian Foreign Ministry Official Reports on DPRK Visit

SK0202025395 Moscow Voice of Russia World Service in Korean 1200 GMT 1 Feb 95

[FBIS Translated Text] Upon returning from a visit to Pyongyang, director of the Russian Foreign Ministry's Bureau for Asian Affairs (Yevgeniy Afanasyev) stated that Russia acknowledges that it must be cautious in the creation of a new security system on the Korean peninsula. During his visit, he met with DPRK Vice Foreign Minister Yi In-kyu.

According to (Afanasyev), the two countries agreed to extensively promote dialogue and exchange, and the Russian side expressed support for the democratic reunification of Korea.

The DPRK stated it was very interested in Russian-made light- water reactors. This is because the Russian-made light-water reactor (?performs better) and because DPRK experts are more familiar with its technological functions.

During the visit, the sides also discussed ways to jointly commemorate Korea's liberation from Japanese occupation.

Moscow Hopes To Launch Joint Oil Projects With Iraq

LD0102134195 Moscow INTERFAX in English 1211 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, Feb 1 (PIA)—Russian oil companies hope that the partial slackening of international sanctions against Baghdad will result in the launching of joint projects with Iraq already this autumn.

"The example of French companies that have occupied steady positions in Iraq despite all the embargos makes us haste," the head of a leading Russian oil corporation told the Petroleum Information agency Wednesday [1 February].

Russian Foreign Ministry officials believe that Iraq has fulfilled most UN resolutions which is a good stimulus for the resumption of cooperation talks.

Earlier Russia formed a consortium for oil and gas projects in Iraq consisting of LUKoil corporation and foreign trade associations Mashinoimport and Zarubezhneft. The latter which used to be the official agent of the USSR in joint oil and gas projects with foreign countries received the status of a coordinator of operations in Iraq.

LUkoil intends to take part in developing West Kurna and North Rumeila oil deposits in North Iraq. Total investments in the development and the delivery of equipment are estimated at $2.3 billion. The Russian side is ready to discuss investing $800-1,000 million. The sum should be collected through oil export and re-export transactions.

Before the introduction of UN economic sanctions Mashinoimport worked on the full equipment of West Kurna oil deposit under an inter-governmental agreement worth about $280 million at the expense of a Soviet government loan.

It also constructed the Naseri-Baghdad gas pipeline and a compressor station in North Rumeila. At the time of the introduction of sanctions the 390 kilometer long pipeline was 95% ready but during the Gulf war it was damaged and requires reconstruction.

At the moment Iraq owes Russia about $400 million under the West Kurna and gas pipeline projects and the resumption of operations is possible only after at least partial payment of the debt.

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If international sanctions are lifted, Moscow will get a chance to start receiving the repayment of Iraqi debts that total $10-16 billion.

Rybkin Voices Hope for Relations

MM0202094395 Moscow KRASNAYA ZVEZDA in Russian 2 Feb 95 p 3

[Report by Vadim Markushin: "Moscow-Baghdad: Prelude to Breakthrough?"]

[FBIS Translated Text] "A major breakthrough has been achieved in the Iraq situation, which was the result of joint political work by the Russian and Iraqi leaders"—these words were uttered by Valeryan Viktorov, deputy chairman of the Russian Federation's Federation Council, during his meeting with Sa'di Mahdi Salih, chairman of the Republic of Iraq National Council. They expressed considerable optimism over the prospects for Russian-Iraqi cooperation which, it is hoped in Moscow, is experiencing a drastic upsurge after the lifting of international sanctions from Baghdad, primarily the oil embargo.

Russia's intention "to help Iraq hold out in a difficult situation" was confirmed by State Duma Speaker Ivan Rybkin, who also received the head of the Iraqi parliament. Here he stressed that the Russian leadership's position on Iraq is "devoid of guile." The leader of the Federal Assembly lower chamber obviously had in mind the fact that Russian interests in that country are devoid of any secrecy. They are known to everyone: The return of Baghdad's billions in debts can become reality only as it acquires its former freedom on the world market.

In that sense, Moscow believes, it is now that the prerequisites are developing for Iraq to be on the point of "seeing the light at the end of the tunnel." Because its leadership agrees with all the resolutions adopted by the United Nations and the OSCE since the war with Kuwait. That progress in Baghdad's position is so far instilling little inspiration in the leaders of some leading Western powers, above all the United States and Britain. They continue to voice distrucs in Saddam Husayn and are perhaps expecting radical internal changes in Iraq.

It is not out of the question that these expectations are connected with a marked activation of opposition to the present regime. The opposition leader Muhammad al-Hakim was recently received by the emir of Kuwait and a little early had addressed a meeting of organizations opposed to Saddam Husayn in London. The determination with which al-Hakim hopes to implement "the program to remove the ruling clique in Baghdad from power, through a national uprising with the Army's support," could not go unnoticed.

In Russian circles too these nuances of Iraq's domestic political situation are obviously being taken into account somehow. But to all appearances the fundamental line regarding Russian-Iraqi business cooperation is not built on them. In this connection one more Russian position officially voiced during Sa'di Salih's visit to Moscow is notable: The nature of the domestic regime in Iraq is a matter for the people of Iraq.

'Go-Ahead' for Cooperation Expected in Mar

MM0202094995 Moscow IZVESTIYA in Russian 2 Feb 95 p 3

[Report by Elmar Guseynov: "Iraqi Diplomacy Winning Victory Upon Victory in Moscow"]

[FBIS Translated Text] Russia intends to help Iraqi get through the difficult situation, so said State Duma Chairman Ivan Rybkin after meeting with Iraqi Parliament Speaker Sa'di Mahdi Salih.

The parliamentary delegation's visit to Russia represents the latest success for Iraqi diplomacy. The parliamentarians from Baghdad met with a more than warm reception from the Duma, which had invited them, and were accorded a reception with Viktor Chernomyrdin. Never before since the Gulf War have Iraqi officials been able to obtain an audience with such a high-ranking leader of the great power. Although the Iraqi parliament's speaker himself by no means holds a prominent position in Baghdad's table of ranks.

The main and possibly the only problem facing the Iraqi authorities is the question of lifting the UN economic embargo. Baghdad and Moscow are discussing a quite unusual option for resolving the sanctions problem.

Russia may unilaterally state that Iraq has carried out the main requirements of the UN Security Council resolutions. It will be announced that Russia has counted down the six-month trial period supervising Iraqi compliance with all the United Nations' demands from October 1994. The trial period expires in March and Russia will de facto acknowledge the sanctions to be invalid and give its companies and firms the "go-ahead" to work in Iraq.

The scandalous nature of this plan is that, according to the existing rules, a trial period can only be introduced by a Security Council ruling. And only after six months of careful monitoring of the Iraqi authorities' behavior can the question of lifting the sanctions on Baghdad be considered. The Security Council is now examining reports every two months on the situation as regards the implementation of its resolutions. And right now it has not found any reason to introduce monitoring.

According to reports that we received from a well-informed State Duma source, Ivan Rybkin put this idea to his Iraqi counterpart. The Duma speaker said after the conversation that, in the opinion of Russia's parliamentarians, Iraq should finally "see the light at the end of the tunnel." He noted that our parliament must play a role in removing the negative mood in Europe, which is having an adverse effect when it comes to lifting the economic embargo on Iraq. He welcomed the contacts

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between the Iraqi and Russian leaders, which are preparing the way for fruitful cooperation.

The company Lukoil, which the Iraqis are ready to grant orders worth a total of $2.24 billion, is actively preparing for cooperation with Iraq. The Iraqis do not have any cash. They can only pay in oil. And some observers are inclined to attribute the fact that Viktor Chernomyrdin agreed to meet with Salih to progress in the oil talks.

Neither the United States, the European Union, the Gulf countries, or the Security Council will accept Russia's unilaterally lifting the embargo. It will have no economic effect either—no matter how much effort we put into organizing cooperation with Iraq, not a single tonne of Iraqi oil will be sold without UN Security Council authorization. All the efforts will be in vain and will, moreover, extremely exacerbate Russia's relations with the West.

Salih Notes Russian 'Understanding' of Iraqi Position

LD0102184095 Moscow ITAR-TASS World Service in Russian 1149 GMT 1 Feb 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 1 Feb—Sa'di Mahdi Salih, chairman of the National Assembly (parliament) of Iraq, thinks that in Russia, there is an understanding of the fact that Iraq has already done a lot toward having the economic sanctions against it lifted. Salih, who is on an official visit to Moscow, stated this at a news conference, held at the State Duma today.

He said that during the meetings between the Iraqi parliamentarians and State Duma Speaker Ivan Rybkin and Chairman of the government of the Russian Federation Viktor Chernomyrdin, the Russians expressed their readiness to assist in lifting the sanctions imposed on Baghdad. As has already been reported, the head of the Russian Federation government stressed that this will only be possible if Iraq meets the resolutions of the United Nations Security Council.

During our meeting with the representatives of the State Duma factions, we expressed our readiness to welcome them in Iraq so that they can familiarize themselves with the situation in our country in person, Sa'di Mahdi Salih said. He noted that Vladimir Zhirinovskiy, leader of Russia's Liberal Democratic Party, is "a friend of Iraq and will always be a welcome guest."

Speaking about the events in Chechnya, the chairman of the National Assembly of Iraq said that it is an internal issue for Russia and that Iraq has no intention of interfering in the internal affairs of the Russian Federation.

Answering a question from the ITAR-TASS correspondent about the prospects for extending economic links between Russia and Iraq after sanctions were lifted, Salih said that Iraq is ready for extensive cooperation with Russia in the areas of industry, agriculture, and power engineering.

Sa'di Mahdi Salih also spoke about the Kuwaiti prisoners of war. He noted that he considers this problem to be a fabrication and stressed that there are no prisoners of war on the territory of Iraq. The chairman of the National Assembly expressed his bewilderment that the problem of the 300 Kuwaiti prisoners of war, "allegedly captured by Iraq," is being used as a pretext for the sanctions against Iraq.

Moscow Hopes Latvia's CE Admission Will Aid Ethnic Russians

LD0102175195 Moscow INTERFAX in English 1418 GMT 1 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Feb 1 (INTERFAX)—The Council of Europe's Parliamentary Assembly which took the decision to admit Latvia to the Council of Europe [CE] on January 31 "seems to have resorted to the double-standards practice once again," Deputy Director of the Russian Foreign Ministry's Second European Department Aleksandr Udaltsov told Interfax on Wednesday.

"Let's hope that this move will have a positive impact on the Latvian residents, who suffer from discrimination," he said. He also stated that "when Latvia's admission to the Council of Europe was discussed, Riga was given to understand that it should keep an eye on the local government's policies in relation to the non-Latvians."

"Unfortunately, the Latvian authorities have already adopted a number of discriminating laws in this area," said Udaltsov. As an example, he referred to the law on citizenship, passed by the Latvian parliament last year, which aroused a "tough response in Moscow."

He also pointed out that "Russia was closely following the parliamentary discussions of one more draft law on the former Soviet citizens."

"The idea of adopting such a document is positive," he said, "for it should reduce the number of residents without a definite status to the minimum. However, we are concerned about the fact that more than 100,000 of our compatriots, who have not been granted Latvian citizenship, have remained beyond the limits of this law."

He explained that he meant "part of the Latvian residents, mostly former servicemen, who have no rights in Latvia."

He noted, however, that on the whole the development of Russian- Latvian relations inspires optimism.

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"Latvia is the only Baltic country so far to have concluded and ratified a package of military agreements dealing with the withdrawal of the Russian troops and the status of military pensioners," he said. "An exchange of ratification instruments is to take place shortly," he added.

He also expressed satisfaction that Moscow and Riga have no border disputes.

He emphasized in this connection that "Russia would like to view Latvia's admission to the Council of Europe as a factor which will promote the solution of the hitherto unsolved problems in bilateral relations."

Yeltsin Edict Allocates Extra Money to Foreign Ministry

MK0102113095 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 7 29 Jan-5 Feb 95 (Signed to press 31 Jan) p 3

[I.L.-signed report under the "Document" rubric: "Diplomats To Rake in Some Money"]

[FBIS Translated Text] Foreign Minister Andrey Kozyrev's lengthy travails aimed at hacking out allocations at least for the Foreign Ministry, if not for foreign policy, have finally succeeded.

President Yeltsin has signed an edict making life considerably easier for Russian diplomats. For instance, Foreign Ministry officials will get a hefty increase in their salaries. This is important because owing to extremely low pay (a department chief was paid 250,000 rubles) diplomats started leaving for commercial businesses. Concurrently with the pay raise, the Foreign Ministry was allowed to increase its payroll by over 800 staffers. The edict also assigns 10 deputies to Andrey Kozyrev, two of them first deputies.

The biggest changes will occur in Russian missions abroad. First, it was decided to increase the number of embassy and consular service employees in newly created missions, primarily in CIS states. As regards missions in Western countries, some of them will grow in numbers, in particular the Russian mission at the EC, whose chief, as a matter of fact, has never been appointed following Ivan Silayev's resignation. Second, a special pay increase and benefits will be introduced for diplomats working in countries with a dangerous military-political situation and harsh climatic conditions. Third, diplomats who received the minimum salary will also get pay raises. This applies first of all to embassies in Latin America (Uruguay, Ecuador, Peru), Africa, and Asia. As an illustration--the ambassador in relatively prosperous Portugal is paid $800 a month.

It was also decided to equip embassies with computers and up-to- date deciphering equipment. Most importantly, Boris Yeltsin decreed that an additional $30 million be earmarked from the government budget to maintain embassies themselves—their compounds, buildings, and values they contain. Furniture, sculptures, and household articles in certain missions may indeed rival museum expositions.

Soros Warning of Investment Risks in Russia

MM0102134795 Moscow IZVESTIYA in Russian 1 Feb 95 p 1

[Unattributed report: "Soros 'Not Giving Up on Russia'"]

[FBIS Translated Text] George Soros, one of the world's most influential financiers, has said that he has "not given up on Russia," but has warned that investments in the country are being jeopardized by "big political risks." Answering questions from an INTERFAX correspondent at the World Economic Forum in Davos (Switzerland), he also said: "Unfortunately it appears that influence on President Yeltsin has been seized by a group of people who are trying to turn Russia into a closed society again."

Privileges Introduced for Major Foreign Investors

LD0202111895 Moscow ITAR-TASS in English 1041 GMT 2 Feb 95

[By ITAR-TASS correspondent Irina Bolshova]

[FBIS Transcribed Text] Moscow February 2 TASS—Import customs duties will be cut over twofold for foreign companies which invest over 100 million dollars in Russian counterpart productions, BUSINESS-TASS was told by Russian First Deputy Prime Minister, Minister for Foreign Economic Relations Oleg Davydov. The privilege is introduced by a decree of President Boris Yeltsin.

The lower import duties will activate foreign investment in Russia, Davydov said. The new duties will promote Russia's new productions, adoption of innovative technologies and creation of new jobs.

The idea of the duty privileges for major investors was arose during talks with "Mars", a company which plans to build ten chocolate-producing factories in Russia. The company's projected investment is estimated at one billion dollars, Davydov said. If these productions are set up, Russia will stop importing the company's products.

Foreign companies with plans to invest in Russia will be required to draw investment agreements specifying volumes of investment and the time of establishing the productions. The Russian Government will give individual scrutiny to these agreements, Davydov said.

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Political Issues

Yeltsin Will Not Widen Ingushetia, Ossetia Emergency Zone

LD0102180995 Moscow INTERFAX in English 1618 GMT 1 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Boris Yeltsin has ordered a further extension of the state of emergency in parts of North Ossetia and Ingushetia which has been effective since November 1992. An appropriate presidential decree is now pending approval by the Federation Council (the upper house of Russian parliament).

The measure does not cover any new populated centers contrary to earlier reports saying that emergency regulations may be imposed on the republic of Ingushetia as a whole. References were made to Interim Regional Administrator Vladimir Lozovoy's letter to the president in which he spoke of Ingush President Ruslan Aushev's disloyalty and his pro-Dudayev sentiments.

Kremlin Chief of Staff Sergey Filatov is also opposed to the idea of widening emergency regulations in the region. In an interview with Interfax, he stressed the need for a fresh extension of the regional state of emergency which helped contain the conflict in Chechnya.

Vice Premier Sergey Shakhray at a news conference on Tuesday also spoke of Aushev's disloyalty to Moscow saying Chechen leader Dzhokhar Dudayev had gone into hiding in Ingushetia.

He said the Ingush leader's support for Dudayev is well understood given that other Chechen leaders do not recognize Aushev as president or Ingushetia as an independent state.

Aushev in turn has rejected Shakhray's conjectures by saying that the events in Chechnya indicate Dudayev is in Groznyy and in charge of his forces. "Any one willing to ascertain this, Shakhray included" can go there to see for themselves, Aushev said in a statement issued by his press service in Nazran.

The statement accuses Shakhray of being behind the bloodbath and mass killings in the Chechen republic which is "the outcome of his nationalities policy in the Northern Caucasus".

The vice premier is accused of being out of touch or deliberately compounding the situation.

By contrast, Arkadiy Popov of the administration's analytical center believes that the Ingush leader is "the only stabilizing factor in a highly volatile region" as his republic and any attempt to try to depose him will be "a gross mistake". In his view, no one but Aushev who enjoys support on the ground and remains loyal to the Russian Federation is capable of keeping the situation under control. If he goes, says Popov, Moscow will lose contacts with the local population with all dire implications to follow.

Popov is opposed to the idea of the area under the state of emergency being widened. As it is now, the state of emergency exists only in the context of the conflict between North Ossetia and Ingushetia having an entirely different psychological and political meaning than the present zone in Chechnya which is under control by the center, he said.

On Former Party Chief of Groznyy Nikolay Semyonov's appointment as Moscow's representative in Chechnya, Popov said it was a blunder. To make his case, he said that none of the calmer Russian republics had a Moscow-imposed governor.

He described the center's decision as an open defiance of public opinion. As if to challenge the public view of the Chechen conflict being a colonial war and fears of a possible comeback by the nomenklatura, the center appoints its own "governor-general" and with a classic partapparatchik's record into the bargain, Popov said.

He doubts that Semyonov's "professional skills and his reputation of an outstanding economic manager" will help stiffen the center's grip on Chechnya. "He may be a superb manager but it is clear he has no one to lead there", Popov said. IF note: The two month extension of the state of emergency Yeltsin has ordered again provides for restrictions in movement and a ban on public gatherings in the region which is placed under control by the Moscow-appointed interim administration.

Yeltsin State of Nation Message Previewed

MM0202113195 Moscow IZVESTIYA in Russian 2 Feb 95 p 1

[Report by Vasiliy Kononenko: "Yegorov, Grachev, Stepashin, and Others May Go. Yeltsin's Message to Parliament Will Be a Reformist One"]

[FBIS Translated Text] Although there is no end in sight for the war in Chechnya, the Kremlin does not look like a military-political headquarters at the moment. It is busy with other matters—preparation of the president's annual message to the Federal Assembly, on which many observers pin their hopes for further momentum to be imparted to the country's current flagging political and economic life in order to continue the reforms, as well as self-criticism by the executive authorities.

It turns out that work on the draft message has been going on for several months. It is coordinated by presidential assistants Yu. Baturin, A. Livshits, and G. Satarov. On strict instructions from the president, the officials are not entitled to disclose in advance the ideas and proposals the head of state will be presenting to parliament and, essentially, to the people in mid-February. But we do know that the president set the

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drafting team a central task: The document must be free from illusory expectations and promises, from grand plans and self-congratulation, and it must be as pragmatic as possible.

The gist of the message can very probably be identified now, judging by the views of those who are doing the work, and also on the basis of certain snippets of information. First and foremost, the president intends that his speech should make a strong impression on the audience at home and abroad with the aid of the following set of ideas and assurances. Political and economic reforms in Russia will be continued firmly and unconditionally. Moreover, they will also affect the Army. Democratic elections will be be held at the time arranged earlier. There will be no deprivatization in Russia. The president is expected to give a clear sign to the democrats that he remains true to democratic principles. That is why, his entourage believes, he canceled the meeting that had been arranged with V. Zhirinovskiy, in order "not to rub salt into their wounds."

As for the fears of a financial collapse in Russia in connection with the dangerous growth of the budget deficit of late, presidential assistant A. Livshits told your IZVESTIYA correspondent categorically: "Both in the government and in the Kremlin everyone is fighting for a realistic budget. But in the present conditions all we can talk about is a budget with an acceptable deficit and about wanting to employ civilized budget methods—without direct loans from the Central Bank. But if the hostilities in Chechnya drag on too long, we will be dealing with 'Chechen' inflation. But what you will get from the president will be a set of civilized approaches in the economic sphere, fundamentally new ones, in fact. They will be adequate. There will also be a critical analysis of what has and what has not been accomplished over the past year." A. Livshits' final words should be interpreted as meaning that the executive authorities will be in the business of self-criticism (formerly the expectation was that the president would criticize the government and parliament for the fact that practically none of his aims in the previous message had been achieved).

But even a most impressive speech by the president would be unlikely to perform the function of a shock wave capable of extinguishing the blazing fire of distrust of the Kremlin. The events in Chechnya are a tragedy of such magnitude that society will no longer entertain any arguments along the lines of "the Fatherland must be saved." And there are worldwide accusations about violations of human rights, calls for sanctions, and feats of political destabilization in Russia. So it is logical to look at other measures a president would normally resort to in serious situations. We are talking about a possible reshuffle at the top on the basis of the results of an initial analysis of the Chechen events.

A commission headed by O. Lobov is hard at work on this at the moment. Authoritative sources say that N. Yegorov is the first victim as a result of the unsuccessful Chechen operation (although the official version is that he is sick, his political career is considered to be over). The next victims, Kremlin watchers believe, will no doubt be P. Grachev, S. Stepashin, and also, most likely, two vice premiers in the government.

The Kremlin is particularly critical of the defense minister's role. For example, people who are able to express their opinions to the president in person believe that P. Grachev made at least two very serious mistakes: He led the president to believe there would be a swift victory in Groznyy and thereby suppressed his sense of danger; the minister also misled the Army, which had an inadequate knowledge of the complexities of the upcoming military operations and the commanders were unable to train their units properly. If the operation has been postponed for two-three months these mistakes would have been avoided, there would have been a clearer picture of what was happening in Groznyy, and it would have been possible to make professional plans.

Your IZVESTIYA correspondent has heard such things said about the military minister many times in the corridors of power. So, knowing, as I do, the mechanism of reshuffles in the Kremlin, I can venture the following prediction: The criticism in the president's entourage is the prelude to a reshuffle. And the right moment for that is the period that remains before the president addresses parliament.

TV Journalist Says Yeltsin 'Seriously Ill'

954F1111A Moscow GOLOS in Russian No 4, 23-29 Jan 95 p 5

[Article by Arkadiy Voropayev: "The President Is 'Seriously Ill.' What Is Behind This?"]

[FBIS Translated Text] That the president of the Russian Federation is personally acquainted with his human rights commissioner is not open to doubt. And not only acquainted. They have met and talked many times and under various circumstances, including tete-a-tete. Nevertheless, Sergey Kovalev, before entering Boris Nikolayevich Yeltsin's presidential apartments on 5 January, was carefully briefed on "how one must address the president and how one must not." It is a fact that is curious in itself, and, you must agree, hardly fortuitous.

The "Russia's Choicers," whose leadership includes S. Kovalev, rushed to discover in this a signal—if veiled, still a fairly unambiguous one—that from now on the president and they, the democrats, speak in different languages and think differently. The president's great-power/patriotic accent is showing through ever more distinctly, while the democrats, as before, express themselves in the language of generally accepted human values.

Such a perception of the very fact of the briefing has its own logic, its own reasons. At the same time, it cannot be excluded that the ill-starred briefing was motivated by completely different, much more delicate, reasons. After

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all, it is not by chance that the president's first assistant, Viktor Ilyushin, as Sergey Adamovich himself put it, "deliberately reserved the possibility that this meeting would not take place." What is going on?

It would be absurd to assert that B.N. has no—even age-related—illnesses. In the final analysis, he is the same kind of person as are all of us. The question is different: What kind of illnesses does he have, and how serious is this? After all, he is the president of Russia.

In September 1993, presidential aide L. Sukhanov publicly acknowledged that Boris Nikolayevich suffered from radiculitis. By the way, some wags, calling radiculitis an illness of presidents, without fail add here that, supposedly, it was precisely radiculitis that to a large extent predetermined the fall of Mikhail Gorbachev.

B. Yeltsin's attacks of radiculitis began fairly long ago, but he weathered them easily and, the main thing, imperceptibly for those around him. What had been secret became manifest when, in that same 1993, Spanish doctors traveled to Moscow. Regularly, once every three years, they examine our president in connection with trauma to the spine that he sustained as a result of a well-known airplane incident in that same Spain.

Unfortunately, that is not the only unfortunate incident in B.N.'s case history. It records "contusions received from being thrown from his place" and a contusion to the head sustained when the presidential limousine collided with the compact car belonging to a Moscow pensioner. But, even this is far from all, or the most terrible.

In the estimation of German and American physicians, Boris Nikolayevich suffers from the after-effects of complications from an acute inflammation of the middle ear, cirrhosis of the liver, and renal insufficiency, and recently also from rapidly progressing stenocardia. As you see, our president's bouquet of illnesses is multicolored and large. How does he, poor thing, deal with all this?

To this altogether natural question, an answer was unexpectedly given by the host of the television program "Moment of Truth," Andrey Karaulov. At a press conference organized by attorney Genrikh Padvoy, he announced to his journalist colleagues, of whom there were a large number, that Yeltsin has "sclerosis of the blood vessels of the brain, and he passes out in the middle of the work day, forgets words, and is in no condition to take independent decisions."

It is no secret from anyone that A. Karaulov has extremely extensive contacts with sources of reliable information, including in the highest echelons of power. Just one—but quite eloquent—fact: For his 35th birthday the television journalist received a present—a bottle of cognac—from Vladimir Shumeyko himself, the number-three man in the power hierarchy.

A. Karaulov's sensational announcement sounded forth on 10 January. And no refutations from the Kremlin, no commentaries from the still-in-place presidential press secretary Vyacheslav Kostikov. Silence. But "sometimes we can understand silence better than any words," as one of the Russian romances goes. Then that is in fact an answer to the question of why it was necessary to instruct Sergey Kovalev before his conversation with Boris Nikolayevich, with whom he was well acquainted.

Incidentally, in our history there has already been something similar. When, more than 70 years ago, the leader of the world proletariat was laid low by an incurable illness (this, of course, was carefully concealed from him), then it was possible to get in to see him also only after the appropriate briefing, which everyone went through, including his closest associates. And, every one of them, after his conversation with the doomed leader, considered it his duty to declare that Ilyich looked hearty and cheerful, and demonstrated a detailed knowledge of current events, and gave invaluable instructions.

And so Aleksandr Livshits, the president's aide on economic questions, after his conversation with B.N. hastened first of all to note that "Boris Yeltsin is in magnificent form—and during our meeting on Wednesday (11 January—A.B.) on questions dealing with the federal budget, it seemed to me that I was sitting in on a seminar with a university professor." It is hardly likely that anyone, including this same A. Livshits, would start sharing his impressions on a meeting, say, with V. Chernomyrdin, O. Soskovets, V. Shumeyko, or I. Rybkin with words about the wonderful form in which he found his interlocutor. I repeat, it is hardly likely. For there is no need to remark on the health of truly healthy persons.

We know from history that behind the back of the ailing Lenin, intrigues were being spun, and a behind-the-scenes struggle for power was being waged. Can it really be that the same is not happening today behind the high walls of the Kremlin? As Russian Television head Oleg Poptsov so graphically put it the other day, "Today a desperate battle is in progress for the views of the president, so that he should not be led from the democratic path."

The chances that that will be achieved, however, are meager. And the explanation for that is fairly simple.

The democrats' initial calculation that the market by itself would set everything in its proper place turned out to be fundamentally mistaken. And the American-style democracy that they frankly propagandized did not become the national dream of the Russians. And formulating any kind of other ideas turned out to be beyond the strength of the democrats. As a result, today the idea of Russia's exclusiveness, of its strength, great power, and national uniqueness, is ever more surely taking hold of the minds of Russians. And after the Chechen events, the elements of national-great power ideology will inevitably gain strength in Russia's state political policy.

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Under these conditions, it will remain for the democrats only to pay their accounts. And they will. Any moment now, the president's press secretary, Vyacheslav Kostikov, will be officially relieved of his duties. It is not excluded that in his wake, Emil Pain, Georgiy Satarov, Lyudmila Pikhoya, and even that same Aleksandr Livshits will disappear from the president's circle. National security aide Yuriy Baturin, by decision of B.N. himself, was dismissed from participation in sessions of the Security Council. And, in the opinion of Kremlinologists, he will soon also be dismissed from his position.

If the democratic grouping in the president's circle loses authority and power, who will take them up?

As one witty political scientist expressed it, for reasons that are concealed but that can be very easily divined, a group is operating ever more confidently in the presidential circle, which includes First Assistant V. Ilyushin, General A. Korzhakov, and Security Council Secretary O. Lobov. It is true, General Korzhakov, chief of the president's security directorate, absolutely denies his participation in any political intrigues. "It is very necessary to someone," he announced, "to declare me a politician, and very high up.... I can say with certainty that this talk is a consequence of the war on corruption that has been initiated." According to information from democratic sources, stormy activity has been demonstrated by Mikhail Poltoranin, who just recently had been in disgrace, but who was able to turn B.N.'s disposition around. There is also talk that the current head of the president's administration, Sergey Filatov, will cede his seat to his predecessor, B.N.'s old friend and comrade in arms from the Sverdlovsk period, Yuriy Petrov. In a word, the rumors are many. And they will certainly multiply as the factional struggle in B.N.'s circle inevitably heats up in connection with the approaching elections to the State Duma this year, and the elections for president next year, in 1996.

There is also no doubt that the question of the state of B.N.'s health will also be exaggerated. With references to his aides, foreign doctors, and so on. At the same time, however, it should not be not forgotten that the president plays tennis, hunts, takes seven-degree sea baths, and is still able to carry his wife in his arms like a piece of fluff. So what can you say about ill health here? But on the other hand, who in Russia is healthy today?

Foreign Ministry Analyst Says State 'Weak' After Chechnya

AU0102151395 Budapest MAGYAR HIRLAP in Hungarian 1 Feb 95 p 2

[Interview with Vitaliy Trubetskoy, analyst at the Russian Foreign Ministry, by Agnes Gereben in Moscow; date not given: "The Reasons Behind the Silence of the Russian Foreign Ministry"]

[FBIS Translated Text] [Gereben] What is the mood like in the Russian Foreign Ministry after the armed intervention in Chechnya? This question is justified by the fact that, after the tough speech delivered by President Yeltsin at the CSCE summit in Budapest, the Russian diplomats turned from disturbed officials into self-confident representatives of a big power in front of our eyes. Have you also noticed such changes in the Foreign Ministry?

[Trubetskoy] Of course. In my general opinion, on this issue, the Foreign Ministry has now started a cunning game and worked out a sort of individual policy. On the one hand, they do not want to spoil their relations with Yeltsin, and this is understandable on the part of Foreign Minister Kozyrev who fully depends on Yeltsin. On the other hand, the staff is working feverishly day and night on preserving Russia's image of a democratic state in the eyes of the West.

[Gereben] What groupings are there in the Russian Foreign Ministry?

[Trubetskoy] At the moment, perhaps the centrists are the strongest, led by First Deputy Foreign Minister Igor Ivanov. Also in this group, there are Viktor Posavlyuk, deputy minister in charge of the Middle East, and Sergey Krylov, deputy minister in charge of the European region. There is also a more democratic group than this, and here there is primarily the Pan-European Department led by Yuriy Usakov and the Human Rights Department led by the well-known human-rights fighter Vyacheslav Bahmin, who is not a career diplomat. I would also list here the Department of International Organizations.

[Gereben] Why does a foreign ministry need a human rights department?

[Trubetskoy] This is a relatively young department, the result of the new times, one that deals with human rights issues on an international level. For example, it recently protested against cooperation with Cuba because of the violation of human rights in that country. Bahmin played the major role in this action, and it is a fact that he did not become overly popular in Havana or with the pro-Castro Russian lobby either. For similar reasons, this department opposes cooperation with North Korea, and it has several other similar initiatives.

[Gereben] Let us return to the groups that emerged within the Foreign Ministry. Many generals among the military personnel and even deputy ministers protested against the deployment of regular troops in Chechnya. Have there been such cases in the Foreign Ministry?

[Trubetskoy] Not in this form of course. In the course of friendly and confidential discussions, however, I myself repeatedly heard words spoken in the corridors that strongly condemned the events. People used words like "scandal" and "outrageous" to depict what happened. Naturally, I cannot tell you who said what.

[Gereben] What about Kozyrev?

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[Trubetskoy] Kozyrev has been a mystery to me for a long time. Even in his most sincere moments, Kozyrev is careful in what he says. In the many years of our contacts, he mentioned his political views to me only once. He said that the British conservatives were close to him, and that he is pro-American and pro-Western. Kozyrev's problem is that he tied his fate too much to Yeltsin and his entourage.

[Gereben] His future?

[Trubetskoy] His present as well. Just like the defense and interior minister and the intelligence, Kozyrev is directly subordinated to the president and not to the prime minister. And if he wants to keep his position, and he wants that, he is forced to support Yeltsin in everything the president does; moreover, he must provide the foreign policy "cover" for Yeltsin's steps.

[Gereben] Apart from Kozyrev, is there any foreign affairs expert in Yeltsin's entourage? Who advises him on international issues?

[Trubetskoy] Dmitriy Ryurikov. He is Yeltsin's chief adviser on international issues, and has the rank of ambassador extraordinary and plenipotential. He is an old career diplomat and one of the famous foreign affairs experts of the Soviet era. He is a pro-Western politician, also through his family relations now, because his daughter is the wife of an extremely influential U.S. political adviser. However, precisely because of his "Yeltsin-close" position, Ryurikov rigidly refuses to comment on the current situation; if, nevertheless, he speaks, he carefully repeats the words that the president's entourage stipulates for him.

[Gereben] Almost two months have passed since the beginning of the armed intervention against Chechnya. Has Eastern-Europe's fate come up in the Foreign Ministry in connection with this during this time?

[Trubetskoy] Leading Russian diplomats do not like to talk about this, except anonymously. The general concept is that the Russian position is unchanged, and the events in Chechnya cannot give any reason for the Eastern-European states to accelerate their joining NATO. The Russian Foreign Ministry regards this as a mere excuse. And if one tries to make them understand the effects caused by the television images from Chechnya in the world, they do not react and only keep repeating that the Russian position regarding NATO is unchanged.

[Gereben] Can we expect any change in the Russian foreign policy after Chechnya? Like, for example, a tough policy against "close foreign countries"?

[Trubetskoy] There is no real chance of a tough policy because, at the moment, Russia is not strong enough for this.

[Gereben] Is the power disorganized? Does Russia lack money or infrastructure? Where does Russia lack strength?

[Trubetskoy] The state itself, the constitutional state is weak. Despite the loud declarations, there is not enough self-confidence in the Russian leadership, including the Russian Foreign Ministry. Due to their hopelessness, they continue to claim that Russia should occupy its deserved place in the world and it must play a decisive role in global politics, but there are not real effect mechanisms for this. We can conclude this quite firmly. On the contrary: People in the Foreign Ministry are really afraid that the West will change its position and get tough after the recent events. And today, Russia depends on the West much more than the other way round; for purely economic reasons too. For example, I heard from several people at the Department of Economic Cooperation that Russia can only lose if it toughens its position on the international level.

Government Press Service Report on Chechen Situation

LD0102174195 Moscow ITAR-TASS in English 1701 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow February 1 TASS—The press service of the Russian government issued the following statement on Chechnya on Wednesday:

"According to reports from the federal Armed Forces, over the past 24 hours, units of the joint group of Russian troops in the Chechen Republic continued preparations for the final stage of the operation in Groznyy, combed the city, disarmed illegal armed groups and helped organise the work of the military commandant's offices in the Leninskiy district of the capital.

"Aviation continued support for the troops and transportation of troops and cargoes. Engineering units carried out repairs at Groznyy-Severnyy airport.

"On the Dagestan-Azerbaijan front, border troops conducted reconnaissance and search operations to find out the routes used to bring in militants and arms to Chechnya.

"Units of Interior Ministry troops sealed off the bases of illegal armed groups, covered the administrative border of the Chechen Republic and disarmed militants with the help of special task-force groups.

"Measures were carried out to run a check on and find members of illegal armed groups and their accomplices, as well as to document the facts of their criminal activity.

"There has been word that the government of Turkey negatively responded to Dudayev's envoy's 'probing' into the possibility of granting the Chechen president political asylum.

"On January 27, the day news broadcast of the programme Vesti carried a report about fighting in the town of Khasavyurt in Dagestan.

"The press service of the Russian Government states that there have been no considerable changes in the

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situation in Khasavyurt over the last few days and no armed clashes have been reported there."

Federation Council To Hold Emergency Session 3 Feb

LD0102193895 Moscow INTERFAX in English 1900 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, Feb 1 (INTERFAX)—The upper house of the Russian parliament, the Federation Council, will meet in emergency session on Friday to review the presidential decree extending the state of emergency on some territories of North Ossetia and Ingushetia. President Yeltsin signed the decree on Tuesday. The chief of the upper house's press center Yuriy Algunov informed that the emergency session will open at 12:30.

Presidential decrees on a state of emergency must be discussed by lawmakers within a 72-hour deadline.

Vladimir Shumeyko, speaker of the upper house, has already summoned Federation Council members to Moscow.

On the same day the Federation Council will set a date for its next session, previously scheduled for February 7.

Long Stay Predicted for Army in Chechnya

95UM0235A Moscow SEGODNYA in Russian 25 Jan 95 p 1

[Article by Pavel Felgengauer: "The Russian Army Will Be in Chechnya for a Long Time. The Seizure of Groznyy Is Indeed Only a Stage of the Operation"]

[FBIS Translated Text] Groznyy-Moscow—After the seizure of the palace, the fighting in Groznyy cooled off for a couple of days, as might have been expected. Russian troops are regrouping their forces and putting their rear services in order while Dudayev's detachments are trying to create a new line of defense along the river Sunzha. The framework of the palace, which shows through in many places, is of no interest to either side. As General Rokhlin says, there is no permanent Russian garrison in it—it is just the Russian flag that hangs low and modestly over the northern approach. A little below it, on their own initiative, the naval infantry has hung the naval Andreyevskiy flag.

A couple of days ago there was to have been a meeting of the three Russian commanders (Lev Rokhlin, Ivan Babichev, and Anatoliy Kvashnin) at the walls of the seized palace, but it did not take place, although Lev Rokhlin waited under fire for two hours under cover of the ruins. Chechen snipers and mortarmen from the other side of the Sunzha were firing continuously at any moving target, and Kvashnin and Babichev were unable to get through.

General Rokhlin thinks that the palace is the territory of his neighbor Babichev, but the latter, it seems, is not quite sure of that. The boundaries between the units have always been the weakest points in the Russian Army. Since relatively small consolidated regiments and brigades are fighting in Chechnya, there are especially many boundaries and also complaints that "our neighbor has made a mess of things again." Thus, General Rokhlin is sure that if General Babichev had been able to cover the southern approaches to the palace in time, they would have managed to seize or destroy the Chechen garrison.

But still the Russian military machine has gradually gathered steam—there is somewhat less disorder with the supply and administration, the troops feel somewhat more confident that the tactics of the street fighting have changed. The Russian Army is fighting in earnest. In particular, they are extensively using Shmel rocket launchers to destroy support points and snipers. The former division imeni Dzerzhinskiy will finally arrive in Groznyy either today or tomorrow, and they will begin to "clean up" in the region of Katama in the rear of the Army forces. Command points will be created, patrols will appear, a curfew will be established, etc.

The new prime minister Khadzhiyev says that the "Chechens have learned a good lesson, and one man who has been in combat is worth two who have not." Soon, in his opinion, Chechnya will flourish and become a model neighbor. Today, however, the center of Groznyy to the north, south, and west of the presidential palace reminds one very much of a piece of Stalingrad, and all you meet there are fighters and marauders, but in the suburbs that were less damaged during the fighting, the local population try to arrange something like a peaceful life. On Saturday and Sunday a fairly large crowd of residents with buckets and cans robbed the wine storehouse across from Lev Rokhlin's staff headquarters (cannery). The general ordered for them not to be dispersed—"let them take it all as quickly as they can."

For now, Rokhlin is moving his units to suburbs with single-story buildings in the southeast without any fighting, with the consent of the Chechen population, who themselves are willing to house Russian garrisons on their territory under the condition that the artillery and aircraft stops striking them. Obviously, similar agreements will be consistently offered to all other Chechens. In Groznyy after the regrouping there will be a last serious skirmish, but nobody has any doubt about its outcome. General Rokhlin thinks that the Chechens have ordered the Army to fight to the bitter end in Groznyy because they were counting on aid from their numerous supporters in Moscow.

After that, the troops will indeed leave the city, but they will not go far. Apparently around the perimeter of the city they are creating new military compounds where the units will be stationed, and if there are complications they will be ready to act within a couple of hours after the order is given.

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Police Increase Security in Moscow

LD0102185495 Moscow ITAR-TASS in English 1727 GMT 1 Feb 95

[By CRIME-TASS correspondent Larisa Kislinskaya]

[FBIS Transcribed Text] Moscow February 1 TASS—Moscow police have stepped up security in the city, a spokesman for the Moscow Interior Department told TASS on Wednesday. Policemen are denied holidays and compensational leaves for the time being.

A total of 35,000 people now work to protect Moscow residents against crime. Of them, some 28,000 are staffers of the capital's law-enforcement agencies, while the rest are the so-called attached forces. Their principal duties are to guard federal and municipal facilities, to inspect motor-vehicles belonging to non-residents, to check dens, hotels and crowded places. The threats by Chechen leader Dzhokhar Dudayev to transfer fighting to Moscow did not entail any additional security measures, since police have been working twenty-four hours a day.

The Moscow regional department for organized crime carry out planned operations to combat ethnic gangs. These operations have been conducted since long before Chechen fighting broke out. According to statistic data, one in 20 crimes in the city is perpetrated by members of Caucasian criminal clans. Regional department chief Vladimir Rushailo believes the Chechen mafia leaders would not like to transfer the conflict onto Moscow soil, since most of them have their own business here, including legal one. And money is more important for bandits that national interests.

According to most experts, the recent explosions in Moscow have nothing to do with terrorist acts. They should be classified with warning or demonstration explosions. Nevertheless, an identified person called the city prosecutor's office and threatened to plant bombs in Moscow's most crowded places unless military actions in Chechnya are halted. He asserted that the explosions at the Metropol hotel and at the Lyublino power substation had been staged by terrorists. Now the anonym's voice is being examined, and experts say the man who claimed to be a Russian officer was speaking with the Caucasian accent.

Aide Says Grachev in Hospital for Check-up

LD0202093695 Moscow ITAR-TASS World Service in Russian 0845 GMT 2 Feb 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 2 Feb—Russian Defense Minister Pavel Grachev is in hospital for a check-up. This was confirmed today to ITAR-TASS by his aides, who refused to give any further information.

The defense minister was previously in hospital for investigations during the second half of November last year, after hearings in the Russian Federation State Duma. After this, he spent most of December and January in the Chechen conflict area.

Meanwhile, according to the IZVESTIYA newspaper there may be personnel changes at the top as a result of a premliminary analysis of the Chechen events by Oleg Lobov's commission. It names Vice Premier Nikolay Yegorov, who is currently in hospital with pneumonia, as the first victim of the unsuccessful operation in Chechnya. The newspaper also suggests that Pavel Grachev and Sergey Stepashin may be the next victims.

The Kremlin considers, IZVESTIYA writes, that Pavel Grachev made two mistakes: "He led the president to believe in a quick victory in Groznyy, and dampened his awareness of danger," and he also misled the Army, which did not know enough about the complexity of the operation it faced and the commanders were unable to prepare their units in an appropriate manner.

Shumeyko Confirms Intention to Run for Presidency

LD0202094595 Moscow ITAR-TASS World Service in Russian 0840 GMT 2 Feb 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Kaliningrad, 2 Feb—Federation Council Chairman Vladimir Shumeyko confirmed his intention today to stand for the Russian Federation presidency in elections due to take place in 1996.

Under the law on elections, a candidate for the highest post should collect 2 million signatures from the electorate in order to be registered as a candidate for the president.

"I am not going to do it myself, since I am the statesman. However, if the process of collecting signatures for my candidacy does begin, it would be interesting to see the degree of my popularity," Shumeyko said at Kaliningrad Airport, where he arrived today for a one-day working visit.

Commission Hears Doubts That Elections Will Be Held on Time

MK0102110095 Moscow SEGODNYA in Russian 1 Feb 95 p 2

[Report by Gleb Cherkasov in the "Start" column: "An Election Campaign Has Been Announced in Russia. According to the Deputy Chairman of the Central Electoral Commission, Parliamentary Elections Are To Take Place in December 1995 and Presidential Elections on 12 June 1996"]

[FBIS Translated Text] Aleksandr Ivanchenko, deputy chairman of the Central Electoral Commission [CEC], said yesterday that elections for the State Duma are to be held this December and presidential elections in June 1996. Speaking at a briefing before the opening of the

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conference "Political Parties in the New Election Process," organized by the CEC and the International Electoral Systems Foundation, Ivanchenko wished the State Duma deputies would speed up the adoption of laws on elections to the lower house of the Federal Assembly, on elections of the Russian Federation president, on forming the Federation Council, and on referendums.

Under Article 84 (a) of the Russian Federation Constitution, the president of the Russian Federation "calls elections for the State Duma in correspondence with the Russian Federation Constitution and the federal law." Under the transitional provisions of the Constitution, the deputies of the current State Duma were elected for two years. As for elections for head of state, under Paragraph 3 of the final and transitional provisions of the Constitution, the president exercises his powers "until the expiration of the term to which he was elected." The term expires 12 June 1996. Under Article 81 of the Russian Federation Constitution, "procedures for presidential elections are defined by federal law."

Many participants in the conference expressed doubts that elections will be held on schedule. Anatoliy Sliva (Party of Russian Unity and Accord), chairman of the Duma committee on local self-government, proposed introducing articles in the Russian Federation Penal Code providing for stiff penalties for officials who call for elections to be postponed or those who have already canceled them.

Discussion of draft election laws focused particular attention on a provision whereby 300 deputies of the lower house are elected by majority constituencies and only 150 on party slates. Virtually all those present spoke out against reducing "partisan" representation in the State Duma, suggesting that representatives of the executive branch at the local level will get tangible preferences in the course of elections in single-seat constituencies. Furthermore, party and faction representatives highlighted the need to combat possible rigging. Vladimir Bauer, chairman of the committee on organizing the work of the State Duma, pointed to the need to step up oversight over the work of electoral commissions on the part of electoral associations included into voters lists.

As for the role of political formations, a basic difference in the position of parties in Russia and abroad was revealed within minutes of the conference's opening. Many Russian participants could not refrain from bitter comments after one expert said that political parties in Germany are not only a "decisive element" in the country's democratic system but, according to many observers, have become "too influential." Such a substantial difference in the status of Russian and foreign political parties apparently prompted Irina Zubkevich (Democratic Party of Russia), deputy chairperson of the Duma committee on religious organizations and public associations, to complain that the new election laws do not make a single mention about political parties.

Military Issues

Moscow Militia on Alert Over Dudayev's Threats

LD0102164695 Moscow Mayak Radio Network in Russian 1600 GMT 1 Feb 95

[FBIS Translated Text] Moscow militia continues to be on alert. All leave has been cancelled. State and town facilities are under protection. Checks on city transport, bars, hotels, and public places where people are apt to congregate in large numbers have been stepped up.

No additional measures have been taken over Dzhokhar Dudayev's threats to take the war to Moscow. A correspondent for CRIME-TASS was told at the chief internal affairs directorate for the capital city that operatives are working practically round the clock already.

Gen. Lebed on 14th Army Inspection, Yeltsin, Chechnya

MK0102111095 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 7, 29 Jan-5 Feb 95 (Signed to press 31 Jan) p 10

[Interview with General Aleksandr Lebed, commander of the Russian 14th Army, under the "Army" rubric: "General Lebed Passes Inspection"]

[FBIS Translated Text] The [recent] inspection in the 14th Army once again spawned rumors of the possible resignation of Aleksandr Lebed. Your MOSKOVSKIYE NOVOSTI observer met with the army commander and asked him to comment on the situation.

[Zhilin] Reports about plans to inspect the 14th Army by several Defense Ministry commissions at once were taken as an intention to remove you from command....

[Lebed] These inspections were indeed somewhat unexpected for me. And, frankly, they caused some bewilderment: instead of paying attention to troops suffering defeat in Chechnya and showing a low professional and combat preparedness, they decided to check up on our army. Many of my subordinates were also amazed and I did not know what could be said to their questions.

[Zhilin] Is this why the personnel stated that once the commander of the army gets removed, your army would no longer take orders from the Defense Ministry?

[Lebed] These are unfounded rumors. As long as I am commander of the 14th Army it will be controlled and disciplined. I am confident that its personnel thinks on the same lines. The men trust me because I do not give them empty promises or deceive them.

[Zhilin] Your prestige in the 14th Army is generally known. In the Defense Ministry, however, you seem to have enemies enough and to spare.

[Lebed] The defense minister is not yet the whole of the Defense Ministry. I have fine relations with those central apparatus generals and officers who are showing real

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care about the Armed Forces' future and who are worried over the fact that the present pseudo-reforms are getting the army into a blind alley. They are Gens. Semenov, Vorobyev, Gromov, Mironov—our army elite. Sadly, they are finding themselves out of business today.

[Zhilin] You and Gen. Gromov are regarded as the president's main military opponents. Do you really nurture plans to replace the authority with the aid of military force?

[Lebed] Such rumors are being put about deliberately and not accidentally. Judge for yourself: Grachev promised to the president to solve the Chechen conflict in two hours using an airborne regiment. The president believed him. Had the blitzkrieg succeeded, Boris Yeltsin's prestige might have strengthened both in the country and the rest of the world. What happened, however, has done shattering harm to him. So, who has harmed the president most: Gromov and Mironov, who spoke against the military adventure in the Caucasus; or Grachev, who unleashed the bloody carnage?

[Zhilin] But Grachev did not make the decision on the military operation on his own.

[Zhilin] As a war minister and a military man, he must have known what that would result in, and should have explained it to all civilian officials. When a war minister tries to play an independent political role, what happens in the country is what is happening today.

[Zhilin] Still, what is your attitude to the president?

[Lebed] I see him as supreme commander, not more. I am a military man. But I hope I have the right to give my point of view also as a citizen of Russia.

[Zhilin] What if you should now be ordered to lead your troops on Chechnya....

[Lebed] I would do that immediately but on one condition: in order to withdraw the troops from Chechnya without losses for the Russian side.

[Zhilin] How did the inspection of the army by Kobets, the general Armed Forces inspector, end?

[Lebed] We have found complete mutual understanding. Army General Kobets is a principled and open-minded person.

[Zhilin] How do you think the conflict in the Defense Ministry top leadership is going to end?

[Lebed] If the defense minister succeeds in ridding himself of Gromov, Mironov, and the other opponents, the Defense Ministry leadership would undoubtedly become more united. But it is not ruled out that it will be making such decisions that Russia would finally lose the Army....

Nuclear Issues

Scientists Bring New Nuclear Laser Pump on Stream

LD012141995 Moscow Voice of Russia World Service in English 1200 GMT 1 Feb 95

[FBIS Transcribed Text] At the nuclear research center near Moscow, a new nuclear energy pumping laser installation is being put into operation. Specialists say that the installation is a practical expression of the latest achievements of Russian science in the past few years. In a few million parts of a second, nuclear energy is transferred into a superpower laser beam. One of the directors of the center, Prof Kuprianov, said in a press interview that in the future this scientific accomplishment could be used to build the first thermonuclear power station, and do away once and for all with the energy shortages.

Politician: Ukraine Should Keep Nuclear Arms

AU0102202995 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 28 Jan 95 p 3

[Interview with Democratic Union leader Valeriya Novodvorskaya by VYBIR correspondent Dmytro Kublytskyy; place and date not given: "Miss Novodvorskaya Cautions"]

[FBIS Translated Text] [Kublytskyy] Miss Novodvorskaya, what is going on in Russia right now?

[Novodvorskaya] What is going on is precisely what was to happen, in view of its servility, a certain conformism on the part of its intellectuals, imperial traditions, and the brutal nature of power—namely, the return to the initial formula of totalitarianism, this time, perhaps, slightly diluted with the notions "Orthodoxy," "autocracy," and "national character." However, the national character does not so much imply bast sandals as high boots, and also, instead of the rake, it holds a submachine gun. One can say that in Russia, the end of the world is taking place, something that it undeniably deserves: servility, cowardice, and lack of intellect have always deserved punishment. In the light of these events, all those states that border upon Russia need to immediately take preventive measures—to seal and reinforce their borders is the least they should do. If some of them still possess nuclear weapons, they should not humbly transfer those weapons to Russia. On the contrary, new nuclear weapons must be manufactured.

[Kublytskyy] You mean Ukraine?

[Novodvorskaya] Precisely Ukraine. As soon as its nuclear arsenal is in Russia, combat actions will immediately start for the Crimea and the Black Sea Fleet. Then Kharkiv Oblast will "suddenly" express a "desire" to become a part of Russia. Later, a number of other

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eastern Ukrainian oblasts will also express a "desire" to join Russia and will demand that the Belovezhye accords be denounced.

[Kublytskyy] The Luhansk Oblast Council has already done so.

[Novodvorskaya] I know about that, but believe me, I know very well who sits on the Luhansk Oblast Council and who initiates such decisions. However, as difficult as it is for me to admit this, all those states that have common borders with Russia must be on the alert: I have no doubt that if Groznyy, the capital of a small independent state, is bombed, why not carry out a similar operation against Kiev, the capital of a large independent state?

[Kublytskyy] You sound quite pessimistic.

[Novodvorskaya] Unfortunately, I wish this never happened.

[Kublytskyy] How do you assess the statement by Moscow Mayor Yuriy Luzhkov in Sevastopol to the effect that "Sevastopol is Moscow's prefecture" and so on?

[Novodvorskaya] This is the same imperial thinking that is manifested today by our authorities. Plus, elementary impudence and ignorance that reflect yet another time the [intellectual] level of those people who are presently at the helm of the ship called "Russia." You see, Russia is a country of Asiatic barbarians, and one should not be surprised at the manner of thinking of the mayor of its capital.

[Kublytskyy] One year ago, during our first interview, you said that Yeltsin was in a state of prostration. In what state is the president now?

[Novodvorskaya] He has emerged from prostration but has plunged into a state of frenzy—incidentally, like the entire Russian Government—[Prime Minister] Chernomyrdin, [Defense Minister] Grachev, and [Security Council Secretary] Lobov. Perhaps Yeltsin simply decided that the only way for him to maintain power is to join the empire-oriented majority. However, the state of that majority....

[Kublytskyy] Grigoriy Yavlinskiy [leader of the State Duma "Yabloko" group] already called upon Yeltsin to resign, and other deputies are talking about the need to impeach the president. Do you think that events may develop according to this scenario?

[Novodvorskaya] Impeachment is impossible for three reasons. First, in order to consider the impeachment motion, it is necessary for some parliamentary faction to put it to a vote. There is no such faction. Only individual deputies are capable of this, such as Yu. Rybakov or S. Yushenkov. Gaydar [leader of Russia's Democratic Choice Party] does not have enough courage for such a move, and out of the "Yabloko" faction, Yavlinskiy alone may firmly support the idea of early presidential elections. The second reason: The absence of a proper mechanism for impeachment, yet even if Russia's Choice did raise this question, the majority would oppose it—I m referring to the Party of Union and Accord [PRES], the Liberal Democratic Party of Russia [LDPR], the Communists, and the Agrarians, not to mention the Federation Council: 70 percent are Yeltsin's proteges. There is no Constitutional Court in Russia, but there is already a precedent—everyone remembers Zorkin's Constitutional Court, which obeyed those who were stronger. In other words, democratic levers do not function in Russia, and this is understandable: They were not created for that. Finally, the third perhaps most significant reason: How can an autocrat who has staked on the strength of bayonets and ordered to drop bombs on maternity houses comply with such a demand? He would simply turn those tanks that have remained after Chechnya against the State Duma or the Federation Council.

[Kublytskyy] In this case, will elections be held in 1996?

[Novodvorskaya] I would say that the cancellation of elections is quite possible. Even more plausible is a situation when, by 1996, Russia's entire democratic establishment, which is capable of doing something for the country, will be done away with. It cannot, therefore, be ruled out that we may again be thrown back to 1937.

[Kublytskyy] However, some Russians still believe that the "autocrat" is unaware of what is going on and that all the evil issues from the "malicious courtiers," who conceal the true state of affairs.

[Novodvorskaya] Those people probably have not learned their lessons. Even if one assumes that the president does not have any other sources of information other than the television, that would be enough. If, however, he does not watch the news on the television and does not read the newspapers, this is on purpose. If Yeltsin does not know that people are getting killed in the war, I do not know what else can be said.

[Kublytskyy] Is Chechnya's striving for independence legitimate?

[Novodvorskaya] Of course, it is. How can one speak about agreements with Russia after all that has happened? Besides, how can one generally formulate the question in this way if Chechnya never voluntarily joined the Russian empire? It was only a colony, annexed by force. It is possible in this instance to talk about Chechnya's pullout from the Russian Federation. The question may only be formulated in the following way: whether the Chechen Republic wants to be a part of the Russian Federation.

[Kublytskyy] Do you have figures that would characterize losses suffered in the course of this war?

[Novodvorskaya] Yes, we have exact information directly from Chechnya: We maintain constant communication lines with [Chechen President] Dzhokhar

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Dudayev. Since the beginning of the war, 17,500 civilians, both Chechens and Russians, have perished. The Russian Army has lost 8,000 soldiers and officers, either dead or wounded. The Chechens do not count their war losses: It is not their custom.

[Kublytskyy] What would you wish Ukraine and its people?

[Novodvorskaya] First of all, I wish Ukraine and its people to cherish their independence and defend it by all possible means. I wish the people of Ukraine to create a viable Western-type state with a highly advanced economy, a state that will be able to defend itself properly if such a need arises. Also, I wish you more wisdom, and try to avoid learning from your own mistakes, for it is a very painful process.

Shortages of Fuel, Funds Threaten Nuclear Power Stations

MK0202112095 Moscow NEZAVISIMAYA GAZETA in Russian 2 Feb 95 p 2

[Report by Andrey Aleksandrov under the "Fuel" rubric: "Nuclear Power Industry—Bankrupt. Departmental Monopolism Threatens To Ruin the Sector"]

[FBIS Translated Text] The Smolensk Nuclear Electric Power Station [AES], one of the most powerful in Russia, was made to operate at 50 percent of its rated capacity on the night of 24 January. This is now the second Russian AES unable to operate at full capacity due to a lack of uranium fuel. After the station used up the operational margin of its fuel assemblies and half of the emergency reserve fuel, the "Rosenergoatom" concern in charge of running the Smolensk AES, had to run it at half the rated capacity.

To make up the balance of electricity, the "Single Energy System of Russia" Russian Joint-Stock Company [RAO "EES Rossii"] put into operation standby generators, which is tantamount to burning several train loads of coal every day. The paradox is that, without paying for electricity, customers now cannot get low-cost power from nuclear stations and are now getting costlier electricity from thermal electric power stations.

The "Rosenergoatom" concern sees as the main culprit "EES Rossii" which, together with regional power systems, is a natural monopolist in the electricity market. The debt of RAO "EES Rossii" to nuclear electric power stations has reached the astronomic figure of one 1.75 trillion rubles [R], including R340 billion to Smolensk AES. Because of this, the AES is unable to pay off its suppliers and servicing enterprises. Its debt to uranium fuel producers has amounted to R300 billion, for which reason fuel is no longer shipped to the AES. Balakovo AES is using up the last shipment of fuel, and there is practically no more fuel in Kola AES, with the Kola power grid experiencing a lack of power for the first time in many years. In addition to their fuel debts, AES's are once again running up debt in the shape of backlogged wages. Throughout 1994, nuclear electric power stations were actively raising the question of payment of wages whose delay sparked protest actions at several AES's. Owing to the lack of money, the government obviously is unable or does not want to do something about the situation in the nuclear power industry because the latter is being run today by the RAO "EES Rossii" president, who holds the money from the electricity sold.

In word, on all levels, the authorities maintain that it is necessary to do something to prevent the collapse of the nuclear power industry and of the nuclear energy complex as a whole; in deed, however, total indifference prevails.

It was announced for the whole world to hear about a budget appropriation of R100 billion toward the upkeep of the nuclear power industry. At first it was an interest-free subsidy, then the interest was 15 percent, and now it is 45 percent annually. But this is unworkable (a well known fact) because all nuclear electric power stations—billionaires on paper—are in fact bankrupt. The debt to Leningrad AES is R340 billion and the debt to Balakovo AES is R237 billion. Which station is to be shut down next?

Counterintelligence Officer on Nuclear Facility Safety

LD0102190695 Moscow ITAR-TASS in English 1752 GMT 1 Feb 95

[FBIS Transcribed Text] Chelyabinsk February 1 TASS—"They have laid it on a little bit thick and misinterpreted a couple of things, but indeed there is some concern about the security of nuclear facilities," a Russian counterintelligence officer in the Chelyabinsk region said, following an article in a local newspaper about Chechen President Dzhokhar Dudayev's threat to blow up Russia's nuclear centers.

The newspaper, VECHERNIY CHELYABINSK, said that the problem is being compounded by the fact that for years the Federal Nuclear Center and its facilities were guarded by Interior Ministry troops, some of whom had been drafted from Chechnya, who were trained to operate the security system at these facilities.

The authorities have tightened security at the nuclear centre and its branches, but these efforts may prove futile if the government does not provide funds to carry out current repairs and improve their security, the newspaper said.

Regional Affairs

Army To Start Transferring Chechnya Facilities to MVD

LD0102174295 Moscow INTERFAX in English 1700 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, Feb 1 (INTERFAX)—The Russian armed forces are due to start transferring facilities under their control in Groznyy and

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elsewhere in Chechnya to Interior Ministry [MVD] troops, a senior Defense Ministry official told Interfax on Wednesday. He was commenting on the appointment of Commander of the Russian Police Force Aleksandr Kulikov to take charge of federal troops in Chechnya.

The army official said the transfer would take from two to three weeks to complete. He believes the army units will next be pulled out from Chechnya and sent back to their bases.

Meanwhile, the North Caucasian Military District will remain to give, if need be, fire cover for police units from artillery or other heavy weapons during operations aimed at disarming or eliminating gangster formations, he said.

The army official said that if necessary, the Russian air force will provide air cover to Interior Ministry troops.

He said army units of the North Caucasian Military District will remain in the region even after the illegal armed formations have been wiped out.

Dudayev Reportedly Will Not Take War to Russian Cities

LD0102154595 Moscow ITAR-TASS World Service in Russian 1454 GMT 1 Feb 95

[By ITAR-TASS correspondent Rafael Bikbayev]

[FBIS Translated Text] Cairo, 1 Feb—"Dzokhar Dudayev has given up the idea of extending the war operations from the Chechen territory to the towns of Russia", Shamsudin Yusef, the self-styled foreign minister of the Chechen Republic said in an interview published in the Saudi daily UKAZ today.

"As a statesman, Dudayev respects international agreements and obligations", he said, assuring his collocutor that "Chechnya will not turn into a second Afghanistan".

It was only recently, on 28 January, that Dudayev himself named Moscow, Krasnodar, and Stavropol, not for the first time either, as being among Russian cities which, as he put it "ought to be consigned to flames and destroyed."

Yusef said further that the "desire to acquire independence from Russia is a real expression of the will of the entire Chechen people and not just a wish on the part of the republican leadership". Touching on his recent trip to the United States, he said he managed to "set up a pro-Chechen lobby" there "grouping prominent American and Islamic figures".

Refuses Corridor for Evacuation of Wounded

LD0202152495 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 2 Feb 95

[FBIS Translated Text] Dzhokhar Dudayev has rejected the proposals of Russian doctors that a corridor should be organized for the evacuation of the wounded from Chechnya. This was reported by Anatoliy Zimenkov, head of the administration for medical aid to the population of the Russian Ministry of Health. According to him, a similar refusal has also been received from Chechnya's Ministry of Health.

Yerin Says First Stage of Chechen Conflict Over

LD0102122795 Moscow Russian Television Network in Russian 1100 GMT 1 Feb 95

[Report over video by correspondent M. Tumanova, including recorded remarks by Russian Interior Minister Viktor Yerin during opening address at 1 February closed session of Interior Ministry Collegium in Moscow; from the "Vesti" newscast]

[FBIS Translated Text] In the wake of military officers and the Federal Counter-Intelligence Service, Russian Interior Minister Viktor Yerin, for his part, has reaffirmed that the first stage of the conflict in Chechnya has been completed.

[Tumanova] On the progress of the implementation of the measures being taken by interior troops and internal affairs bodies to restore constitutional legality and law and order in Chechnya. That was the lengthy and respectable look given to the only item on the agenda of today's session of the Interior Ministry Collegium. As usual it was a closed session, but the correspondents were able to hear the minister's opening address.

[Yerin] Formations and units of internal troops and special militia subunits have, on the whole, fulfilled the first stage of the operation, in close interaction with the Armed Forces which, as you know, have taken the brunt of the main attack—and what is more, not just in military terms, but also criticism which is often extremely unfounded and, I would say, incompetent.

[Tumanova] In the minister's opinion, neither the Defense nor the Interior Ministry deserve such criticism. Viktor Yerin believes that the interior troops are doing a good job. Together with the border troops, they have closed Chechnya's administrative borders. Thanks to the transport militia, the Groznyy section of the North Caucasian railway is already operating. An operational investigation group is looking into reports of crimes having been committed. Bandit groups and formations—those are the minister's words—are being successfully liquidated and peaceful citizens are being ensured protection and law and order.

[Yerin] I would like to point out in particular the profound conviction of all personnel of the need for the measures being taken to protect the Chechen population from the tyranny and lawlessness which has been committed here.

[Tumanova] Losses among the peaceful population during the fighting were not given. It is possible that they have still not been counted. On a proposal by the

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minister, the supreme military leadership observed a minute's silence in Moscow today in memory of those who have lost their lives in Chechnya.

Opposition Leader Looks to Chechnya's Future

MM0102193195 Moscow IZVESTIYA in Russian 2 Feb 95 p 2

[Interview with Salambek Khadzhiyev, head of the Government of National Revival of Chechnya, conducted by correspondent Valeriy Yakov; date not given: "Salambek Khadzhiyev: Federation Troops Are Fighting Against the Russian Mafia Rather Than Chechnya"—first paragraph is introduction]

[FBIS Translated Text] Salambek Khadzhiyev's brief, literally two-day visit to Moscow went virtually unnoticed because every minute of his meetings was accounted for in advance and no contact with the press was envisaged in his packed schedule. Khadzhiyev had serious discussions in prospect with Chernomyrdin on the situation in Chechnya and his own status plus serious discussions with the special commission investigating events, with members of the government, and with representatives of the Chechen diaspora.... However, he did eventually manage to find in this rapid succession of difficult meetings two hours for conversation with your IZVESTIYA correspondent.

[Yakov] Salambek Naibovich, why, in your view, out of all the possible methods of influencing Dudayev and his entourage did Moscow choose the most brutal and bloody? Judging by the illogical and senseless nature of what is happening, you get the impression that the whole of this brutal adventure is not so much aimed against Dudayev as designed to cover up the traces of the crimes committed jointly with him. After all, Moscow has throughout the recent period, while perfectly well aware of the criminal nature of the Dudayev regime, continued to pump millions of tons of oil into Chechnya, a pretty large amount of which has flowed abroad. In other words, all this was done deliberately and, probably, not disinterestedly.

[Khadzhiyev] I have already said on one occasion that the Russian Army in Chechnya is not merely or so much fighting against Dudayev. They are fighting agaiinst that section of the Russian mafia whose interests extend to our republic. Yes, oil did indeed, despite everything, regularly arrive in Chechnya, albeit in diminishing quantities. In other words, some people in Moscow wanted that. That it may be pointless to seek culprits in the upper echelons themselves is another matter; a great deal is most often decided at the level of the pipeline gate-valve and depends on who controls it.

Nor should another thing be forgotten—the traditional Russian bureaucracy. If it was planned that an official should pump a certain amount of oil to Chechnya, he would meticulously carry out that plan, as he could not make his own political decision regarding the recognition or blockade of Chechnya.

Moreover, Russia has also always regarded Chechnya as its own territory and has not excluded it from planned deliveries. A certain volume in return was planned at the same time, but here the prosecutor's office has to investigate the discrepancy in the figures. And ascertain where the rest of the oil products went.

[Yakov] Do you know the figure for how much Dudayev received from Russia during those three years and how much was sent abroad?

[Khadzhiyev] I am not for the time being able to give a precise figure, but in the period 1991 through 1994 Russia pumped 20 to 30 million tonnes of oil to Dudayev. There flowed back—after refining—at best around 50 percent. But here there are also the subtle details of payment to be taken into account; you could delay payment or salt money away in convenient banks.... In general, there were many ruses here capable of producing big money.

[Yakov] One IZVESTIYA article spoke about the fact that semilegal international air routes crossed Groznyy and that no border or customs control at all was in operation during the completely unrecorded landings which took place.

[Khadzhiyev] The only thing we know is that there were 100 to 150 flights abroad from Groznyy each month during the heyday of the Dudayev regime. You certainly will not find anyone in Chechnya who could not fly to the country of his choice. Passports requiring entry visas arrived at embassies by the bucketload, while exit visas for foreign countries as a rule interested no one. A lot of secret cargo, about which we know virtually nothing, went out on those flights.

Moreover, many people simply lived by transporting goods in this way—goods which did not go through customs and on which duty was not paid, which then went on by conventional land route to be sold in various parts of Russia. This could not, of course, go on for long, because the rules of play have to be identical fo everyone, otherwise an explosion is inevitable.

[Yakov] But given that all this happened next to the major Mineralnyye Vody air corridor, it is somehow not very credible that such takeoffs and landings could have been carried out without the approval and support of high-ups in the capital.

[Khadzhiyev] I know nothing about cases of such support. But one thing I do know for sure—a plane cannot appear in the skies of Russia without a flight plan, without authorization for the takeoff and the flight itself. So there was support; but it could have been at the level of the air traffic control main administration.

[Yakov] A few words about weapons now. By all accounts, the flow of weapons to Dudayev went on

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unabated throughout those years; it is difficult otherwise to understand how he could have waged a full-scale war for so long using only those arsenals conveyed to him in 1992. Have you come across traces of deliveries?

[Khadzhiyev] I have no doubt that deliveries continued throughout those years, particularly as the gunmen use weapons of the latest type, which could not have been in depots in 1992. At the present time the flow has perhaps been reduced, but it has not been stopped. However, I do not know where Dudayev continues to receive weapons and munitions from today. This question must be taken up by specialists, while falling within my own jurisdiction there are a host of economic problems.

[Yakov] You say that the Army is having in many respects to fight also against a section of the Russian mafia. Does this not account for the numerous failures of Army operations and for the almost incomprehensible clumsiness with which the federal troops and Moscow strategists are operating?

[Khadzhiyev] I would not make such a direct connection, but at the same time it is known that Dudayev was informed in advance about all the Army's operational plans and about the routes and times of movements. There is confirmation that right up until recently he was receiving extensive information from someone in Mozdok. Excellent communications with Moscow were hardly interrupted. Thus, Dudayev knew before I did the details of the CSCE delegation's movements, and in considerably greater detail. To judge from a radio intercept, he knew that the delegation would not get to Nazran, although we only found this out at the very last moment.

In short, a very serious struggle is being waged, and active support is not ceasing, including support from Russian criminal-financial circles. We also have direct radio intercepts in which Dudayev is frankly told from Russia: Hold out for one more week, and the situation in the country will change. Hold out through 10 January, and the regime will change: Just hold out.

[Yakov] Have you not tried to invite to work in Groznyy either Zavgayev or Khasbulatov, who are displaying appreciable activeness in Moscow now?

[Khadzhiyev] Why? I have not turned to them and do not intend to do so. For I myself did not wait for any special invitations but simply upped and went. I am starting here with the smallest things. What must be done in a city which is crammed with troops and in which people are living in basements, while bodies have been lying about in the streets for weeks? I began by finding two trucks in an abandoned motor transport establishment, asking the military for help, cajoling two drivers, and finding Ruslan, a physician, and Marina, a nurse, to drive around the city, collect up bodies, and bury them. A monument should be erected to them for this work, because there is constant firing in the streets and they could simply be killed. But they are working. Admittedly, one driver fled after his truck was shot up by a burst of fire. I am now looking for a replacement for him.

Or: W[illegible] decided to start restoring the power lines, I found an electrician, he climbed up a tower, but a sniper at once "picked him off." That is what work is like for us now.

Then it was necessary, first of all, to organize the delivery of food to the city. We got the Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters to bring in food, but who was there to unload it? Where was it to be stored? Who was to guard it? Literally everything has to be resolved from scratch, and people have to be sought practically on the street. The first medical center was opened in an ordinary apartment block, somehow or other it was tidied up, and medical supplies were brought in—people have already started going there. Then another one was organized, and another....

It was necessary to recruit personnel for the machine-building plant—simply to guard it, so that looters would not remove what still remained. So I approached a group of refugees and asked whether any of them had an education. A man stepped forward and said that he had higher physical cultural education. I at once appointed him the plant's deputy director for general issues and asked him to tackle the organization of guards and to select some men for that purpose. And he did.

In this way we have also set up a city staff to rebuild Groznyy, and 60 people are already working there. We have started to repair the first building in the city. They are still shooting and bombing, but the first block is already being repaired—I believe that this is more important than any political intrigues. There is no end of work to be done there. There will be enough for everyone, if they are really concerned about the republic's future. But what is needed above all is simply brave people, because killing is still going on in the city today.

[Yakov] Has there not been a single attempt to kill you in all this time?

[Khadzhiyev] No, and I do not think that anybody will try that. Of course, there are fanatics among the Chechens, but not to such a degree that they do not realize that it makes no sense to remove me, because whatever I do I do not against my people but for their sake.

Interior Ministry Troops Fulfill Urgent Tasks in Chechnya

LD0102201995 Moscow ITAR-TASS in English 1953 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow February 1 TASS—Russian Interior Ministry troops and law enforcement bodies have, on the whole, fulfilled urgent tasks to disarm and eliminate illegal armed groups and bands in Chechnya, the Interior Ministry leaders said on Wednesday.

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Deputy Minister Anatoliy Kulikov who is in charge of the police and military operation in Chechnya said that Interior Ministry troops have destroyed 242 pieces of weaponry, including 144 armoured vehicles and 31 aircraft. The troops have also established control over several districts, settlements, transport routes and key facilities in Groznyy.

Measures are being taken to document the facts of the criminal activity of illegal armed groups and bands and bring their members to justice. Work is underway to restore regional law enforcement bodies.

The ministry board approved a plan of action to stabilise the situation in Chechnya, ensure the security of citizens, fight crime, disarm illegal armed groups and reestablish law enforcement bodies in the republic.

Government Statement on Chechnya Military Situation

LD0102204895 Moscow ITAR-TASS World Service in Russian 1920 GMT 1 Feb 95

[FBIS Translated Text] Moscow, 1 Feb—The press service of the government of the Russian Federation released the following communication this evening:

According to data from the Defense Ministry, the situation in the Chechen Republic remains tense. Actions of the illegal armed formations aimed at dispersing the forces and means of the federal troops have brought them no success. Thus eighteen fighters were killed near a prison in Groznyy when an attack by Azerbaijani "Grey Wolves" was repulsed, while two of those subsequently captured were exchanged for three POW's and the mothers of two of them. There is evidence that the coordinating center of the illegal armed formations in the town of Argun is experiencing serious difficulties in replenishing its personnel with volunteers and mercenaries. According to the command of the illegal armed formations, recruiting points in the republics of the North Caucasus have been unable to muster the necessary number of fighters. The federal troops in the central part of Groznyy have seized a bridge across the river Sunzha and two houses on Leningradskaya Street. A technical college has been captured in the eastern part of Groznyy and a number of blocks on Kirov Avenue, south of Mikrorayon No. 1, have been taken under control.

Interior Ministry troops and bodies continued to comb through the Staropromyslovskiy district of Groznyy (about 90 percent of which has been cleared) and reinforced positions were put into operation in Mayakovskiy Street.

Aircraft continued to transport troops and cargo and to evacuate the dead and wounded. In the course of air support for troops three weapons emplacements were hit in the vicinity of Samashki (25 km west of Groznyy).

Artillery provided support for troop combat actions and tackled the tasks of neutralizing weaponry of the illegal armed formations whose existence had been discovered in the areas of Lenin Avenue, the tuberculosis hospital, and the Minutka cafe, and also on the western outskirts of Argun.

In the course of 31 January 80 fighters, one armored personnel carrier, one antiaircraft installation, and one motor vehicle were destroyed. Thirteen fighters were captured, and 44 rifled-bore weapons, one armored personnel-carrier, one armored reconnaissance vehicle, and three mortars were confiscated.

The military intelligence agencies have handed the press service the following document which records an intercepted radio conversation between field commanders of the illegal armed formations on 31 January of this year near Groznyy (call-signs "Cyclone 2 [Tsiklon-2]" and "Highlander 1 [Gorets-1]":

"Where's the 33rd? Have we lost contact with him?"

"He's gone. We've got journalists or somebody driving around here."

"Who's with them? What are they doing?"

"They say they're from London. But we had that decree from Dudayev on the press—keep the idiots away from our positions and shoot them."

"Alright, leave these ones alone."

Agapov on Breaches of Human Rights in Ingushetia

LD0102133495 Moscow ITAR-TASS World Service in Russian 1231 GMT 1 Feb 95

[By ITAR-TASS correspondents Tamara Ivanova and Mikhail Shevtsov]

[FBIS Translated Excerpt] Moscow, 1 Feb—Ingushetia's Vice President Boris Agapov told a news conference today that human rights have been violated since November 1992 on the territory of Ingushetia. Since the events in Prigorodnyy rayon in Ossetia, tens of thousands of Ingushetians have been living in refugee camps a few kilometers from their own homes. However, the authorities are only "pretending to tackle the problem."

Boris Agapov said he has tens of statements by inhabitants of the republic about the detention of their relatives at numerous checkpoints, in the majority of cases without any explanation. As a rule it is men with Groznyy residence permits who are detained, both Chechens and Ingushetians. Under any pretext, they are sent to screening camps where, in his words, "there are cases of detainees being taunted." [passage omitted]

Further on Human Rights Abuses

LD0102151395 Moscow INTERFAX in English 1443 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, February 1 (INTERFAX)—Ingush Vice-President Boris Agapov confirmed

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reports on human rights abuse in the Mozdok filtration camp where suspected Dudayev militants are held.

Addressing journalists in Moscow Wednesday [1 February], Agapov quoted eyewitness reports on "humiliating and low-down practices" on the camp grounds. Some sources assume, Agapov said, that there are other filtration camps, in addition to Mozdok, and that suspected Dudayev fighters are also sent to Astrakhan and a number of other cities in Russia.

Agapov cited a report by a local counterintelligence officer who was detained "by mistake" and spent four days at Mozdok. The man was expected to confess that he had helped Dudayev militants and was made, more than once, to face a mock firing squad. Only thanks to a fellow counterintelligence officer was he released, Agapov said.

Those Chechen and Ingush refugees who used to live in what is currently described as the theater of combat operations "faced groundless accusations of cooperation with Dudayev militants," and were sent to the filtration camp, Agapov said. Agapov had several dozen appeals from such detainees. It was his impression that "the authorities were trying to send all males to the filtration camp," he said.

The Ingush government opposes plans to extend the state of emergency in part of Ingushetia and North Ossetia. The extension of the state of emergency makes no sense, Agapov said, in the area where not a single serious crime has been committed in the past several months.

N. Ossetian President Supports Extension of Emergency

LD0102150695 Moscow ITAR-TASS World Service in Russian 1409 GMT 1 Feb 95

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Translated Text] Vladikavkaz, 1 Feb—The Russian president's edict extending the state of emergency regime on part of the territory of North Ossetia and Ingushetia for another two months, which has been sent to the Russian Federation Federal Assembly, is a necessary measure at the moment. That is the opinion of North Ossetia's President Akhsarbek Galazov. The conditions have not yet been created for the state of emergency to be lifted in the Ossetian-Ingush conflict zone, he told the ITAR-TASS correspondent today.

The operational situation here is quite difficult; the shelling of civilians is continuing, terrorist acts are being committed from neighboring Ingushetia, and the refugee problem has not been properly resolved. In addition, the tragic events in the neighboring Chechen republic are, on the whole, having a negative effect on the situation. For this reason, Akhsarbek Galazov considers that the Russian troops which are implementing the state of emergency regime are the guarantors of security in the region.

Speaking about solving the problem of refugees and displaced persons, the head of North Ossetia stressed that the republic's leaders will do all they can to implement the edicts of the Russian president and the resolutions of the Russian Government on returning refugees to their previous places of residence, to stabilize the situation in the region, and to speed up the pace of construction of housing and the entire infrastructure in the conflict zone. The main route toward settling relations between the peoples of North Osetia and Ingushetia is peace talks, the president considers. In his opinion, the redistribution of land in the North Caucasus region should be removed from the agenda completely, since this could lead to a new tragedy in the Caucasus and in the south of Russia.

Tatarstan's Shaymiyev on Recent Events

954F1130A Kazan RESPUBLIKA TATARSTANA in Russian 31 Jan 95 p 1

["Own information" reporting M. Shaymiyev news conference]

[FBIS Translated Text] M.Sh. Shaymiyev, president of the Republic of Tatarstan, held a news conference yesterday in the Kremlin. There have been so many events recently, he said, that a meeting is necessary.

The president observed that we have begun 1995 more actively in both the domestic and the foreign spheres. In industry it is important to maintain the December rate of decline, that is, 8-9 percent, no more, then we should be able to lower the decline in production. A positive role was performed by the measures we adopted to meet payroll requirements—we reduced the debts to the working people more than twofold. The amount of the payments past due was reduced. We are now 16-17 days behind on average in meeting the payroll, although there are branches where the situation is worse. I supported the proposal of Prime Minister F.Kh. Mukhametshin, M.Sh. Shaymiyev went on to observe, concerning continuation of the preferential treatment in respect to the payment of wages from the receipts of enterprise accounts. Of course, this is holding back the replenishment of the budget somewhat, but it will, on the other hand, contribute to stabilization of the situation.

The Supreme Soviet session supported the government's proposal concerning an increase in the minimum wage to R110,000. Now the commodity producers are required to pay their employees no less than the subsistence minimum. This is an important step forward in the realization of a social safety net program improving the position of the needy. Yes, there will be difficulties, but we will overcome them by taxes and a revitalization of production.

Particularly big problems confront enterprises of the military- industrial complex and light industry. We have decided to replenish their working capital, but on the

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strength of specific projects. Answering journalists' questions, M.Sh. Shaymiyev said that we continue to hope to attract investments from overseas and have to this end devised a number of projects, but foreign companies are treating proposals coming from Russia quite guardedly, particularly since the start of the Chechen conflict. Nonetheless, we have reached agreement, in the course of the recent overseas trips included, on investments in individual projects. Specifically, while it was in Switzerland, our delegation received several interesting offers from business circles of countries of the Arab world.

Nonetheless, there is no due certainty as regards the industrial enterprises, of "defense," particularly. There will be no more orders for enterprises of the military-industrial complex in the present year, probably, than in 1994. The Ministry of Defense has no money. And, in addition, the Chechen events will inevitably take their toll. Whereas we completed the year just ended with unemployment at 1 percent (it is practically 2-3 percent everywhere in Russia), in the present year this indicator will rise somewhat. This is why we need to display concern for the development of small business—many additional jobs could be created here.

M.Sh. Shaymiyev's assessment of the state of affairs in the oil industry was more reassuring. The decline here is expected to be only 1 million tonnes (oil production last year constituted 23 million tonnes, and it is contemplated producing 22 million tonnes in the present year). There are new fields containing 700-800 million tonnes each. True, the price of oil is increasing and approaching world prices so there will be increasingly less benefit from its sale overseas.

Concerning the recent changes in the government, the president emphasized that it has begun to operate more assertively, and there has come to be more collegiality and coordination of its actions. It is important that a unified team has taken shape. The structure of the government will continue to be upgraded, for that matter.

Speaking of the recent increases in the price of bread, meat, and milk, M.Sh. Shaymiyev observed that even now they are lower here than in many republics of Russia. Nonetheless, it is a move on the way toward the transition in the first six months of the year to free prices in the republic. They have in practice already been "released" everywhere. It should be acknowledged here that the situation is more propitious in Tatarstan—the results of the policy of support for the agricultural commodity producers that we have adopted are reflected here. If we are headed toward the market, we must, after all, go there with goods and specific products.

A big place at the news conference was occupied by Chechen the topic. Responding to a question about whether Moscow had heard the initiatives of the president of the Republic of Tatarstan concerning a settlement of the conflict, M.Sh. Shaymiyev said no, it had not. Just as the voices of the State Duma, the Federation Council, and civil rights advocate Sergey Kovalev had not been heard. I sent an official letter to B.N. Yeltsin, in which I offered to form a Council of Heads of the Republics. I also agreed to be a mediator between Moscow and Groznyy. I believe that these proposals could have performed a constructive role. But the decisions of the Security Council prevailed. At the meeting with B.N. Yeltsin, when the subject of the well-known meeting in Cheboksary was broached, I said: what are the republics to do if the security of one of them is affected?

Boris Nikolayevich and I agreed that the treaty concluded between Russia and Tatarstan has even greater meaning and significance under the present conditions. We agreed that we needed to continue to abide strictly by the agreements that had been reached.

I was asked a question on Chechnya at the time of the World Economic Forum in Davos. I replied that the opportunities for a peaceful settlement had not been used in full here.

We would mention here that one journalist called Mintimer Sharipovich's attention to the proposals that had been expressed in Russia's official news media as of late concerning transition to a "homogeneous" Russia, abandonment of the asymmetrical federation, and its division into oblasts or "lands"—and that's all, no republics.

"Is Chechnya not enough for Russia, the president shot back. No economy would agree to be simply a 'land.' I have not heard such proposals from the leaders of Russia, incidentally. On the contrary, Yeltsin supports the treaty between Russia and Tatarstan. There can be no other way. If, however, there are some ill-conceived decisions, the consequences will be unpredictable. Look at the path of our republic—what is there to find fault with here? Nothing."

"Russia's media have emphasized repeatedly that while you were in Switzerland you studied its confederative structure. Is this true?" was a question from the floor. Yes, the president replied, and I believe that the Swiss Confederation is one of the most consummate forms of state arrangement. Each canton has its own constitution, its own authorities. The cantons delegate certain powers to the Confederation Council. This is a unique country. Almost all questions are decided by means of referendum here.

And M.Sh. Shaymiyev answered many more journalists' questions yesterday. They were all given exhaustive replies, from which it followed that the experience of constitutional development of the Republic of Tatarstan is attracting more and more attention on the part of the world community, and the model of relations between Tatarstan and Russia is becoming a kind of standard.

Sh.R. Arslanov, minister of foreign economic relations of the Republic of Tatarstan, and A.Kh. Khasanov, leader of the president's Press Center, took part in the news conference.

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Regions Express 'Great Concern' Over Chechen Conflict

LD0202151695 Moscow ITAR-TASS in English 1354 GMT 2 Feb 95

[By ITAR-TASS]

[FBIS Transcribed Text] Moscow February 2 TASS—Reports are coming from all russian regions that the public at large expresses great concern over the continued conflict in the Chechen Republic.

The regional council in Murmansk, Kola peninsula, held a meeting on a settlement of the conflict in the north Caucasus in connection with numerous applications by residents in the area.

Council members expressed serious anxiety over the fate of servicemen sent to the zone of combat operations in Chechnya from the peninsula, Chairman of the regional council Pavel Sazhin said in an interview with ITAR-TASS on Thursday.

Deputies expressed support for an immediate end to combat operations and for a solution of the conflict through negotiations.

Law enforcement bodies and the Russian Defense Ministry try to improve the system of rapid information of civilians about the fate of their sons participating in military operations in Chechnya.

The Russian Interior Ministry recently examined reports by some mass media on alleged voluntary surrender of 47 commandos from the Altay territory to Dudayev's gunmen.

The allegations proved to be false. ITAR-TASS reports from Barnaul, the territorial centre, that the police department of the Altay territory also refuted this information. As a result of quick response from law enforcement bodies, it was possible to calm down relatives of soldiers from Altay who intended to go to Chechnya to free their sons.

In the meantime, the number of Dudayev's gunmen who were taken prisoner or who surrendered to federal authorities, is on the rise in Chechnya. An investigative ward in the Stavropol territory became a place of their temporary safe internment.

ITAR-TASS learnt from the police department of the territorial administration that no criminal cases were instituted against imprisoned Dudayev's militants. All of them receive meals according to established norms. They are given skilled medical aid in case of need. Prisoners did not express any complaints.

Refugees continue to flee the zone of conflict. They are accomodated at centres of temporary housing established by the Federal Migration Service. Displaced persons will return home after the situation in the north Caucasus comes back to normal.

The number of settlers who came from Chechnya to the Orenburg region, topped 100. They are accomodated at one of the best centres for temporary housing in the Russian Federation, which can shelter 320 people simultaneously.

Joint Head of Forces in Chechnya Holds News Conference

LD0202143395 Moscow Russian Television Network in Russian 1100 GMT 2 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Text] Anatoliy Kulikov, deputy interior minister and commander of the Russian Federation Interior Ministry's internal troops, who has been appointed head of the joint command of the Russian group of forces on the territory of the Chechen Republic, spoke at a news conference today at the Russian Federation Interior Ministry. The colonel general presented information about the criminal situation in the Chechen Republic beginning in 1992. He called Chechnya a completely criminal zone and a completely militarized zone. Anatoliy Kulikov said further that the West is not supporting Dudayev because it understands what is behind him. He read extracts from a book by Dudayev, entitled "The Thorny Path to Freedom." Talking about sovereignty, the Chechen president writes:

[Begin Kulikov recording] I am quoting Dudayev: Now that everyone understands this, I would not advise anyone to impede this, to anger the Chechens. It is extremely dangerous. Our compatriots have been scattered throughout the world, have found places in the former empire, and are universally recognized there as criminals. We have acquired such strength in this long opposition that in any corner of the globe, at any time, my compatriots can inflict great damage, end quote.

What is this? It is international terrorism, it is the threat of international terrorism. [end recording]

Anatoliy Kulikov went on to outline the successes of the Army and internal troops. He said that the federal forces are in control of Naurskiy District, part of Sunzhenskiy District, and the larger part of Groznyy—all Leninskiy, Staropromyslovskiy, and Zavodskiy Districts. Part of Oktyabrskiy District remains with Dudayev's supporters. However, the colonel general said that a turning-point has arrived.

[Begin Kulikov recording] The army has in fact completed its fundamental task. It has smashed the basic group of Dudayev's Armed Forces, destroyed the heavy hardware, and smashed—destroyed—its command system. [end recording]

Talking about Dudayev's Armed Forces, he did not call them bandit formations or subunits of mercenaries, but a well-equipped and armed ground army of approximately 10,000 people, left behind after Russian troops left Chechnya.

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Talking about the work of journalists, the commander of the Interior Ministry's internal troops recognized that public opinion had not been prepared for the Chechen conflict and the actions of the federal troops, and now every effort is needed to ensure that as few of our children as possible die and that our grandchildren do not die.

Moldova's Sangheli Visits Tyumen Region, Signs Oil Contract

AU0102133795 Chisinau BASAPRESS in English 1930 GMT 30 Jan 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 30/1/1995—Today, Moldovan Premier Andrei Sangheli visiting the Tyumen region in Russia signed an agreement with Noyabrsk oil-men on supply of 600,000 metric tons of oil to Moldova in 1995. Earlier, the Moldovan delegation negotiated with the "Yuganskneftegaz" Trust on the supply of 1 million metric tons of crude oil. Vera Monu, of the State Fuel Association, told BASA that the Tyumen region is Moldova's main oil supplier and the largest market of Moldovan goods. The trade between Moldova and the Tyumen region, as a rule, is based on clearing payments. She also said that in 1994 Moldova imported about 230,000 metric tons of crude oil from the Tyumen region which is less than the amount stipulated in the intergovernmental agreements. Monu also said that in 1992 the Moldovan Government and Tyumen region administration signed a long-term general agreement which provides for investments in the socioeconomic development of the oil-extracting region. Earlier, Nicolae Ciornai, State Fuel Association president, stated that the "Neftegazgroup" company from Moldova is prepared to invest $250 million in the Tyumen region for five years, which will allow the extraction of oil from 200 wells annually. Ciornai stated that this project will start in the beginning of 1995. According to the Economics Ministry, in 1995 Moldova will need about 2 million metric tons of oil products. Two weeks ago, Valeriu Bobutac, economics minister, signed during his visit to Tehran an agreement on supply of 2 million metric tons of oil in 1995. On his way back from Tyumen, Premier Andrei Sangheli will make a stop in Moscow to sign the Russian-Moldovan Agreement for 1995 with his Russian counterpart.

Leningradskaya Nuclear Plant Reactor Restarted

LD0102173295 Moscow ITAR-TASS in English 1440 GMT 1 Feb 95

[By ITAR-TASS correspondent Lev Rumyantsev]

[FBIS Transcribed Text] Sosnovy Bor (Leningrad region) February 1 TASS—The third generating unit of the Leningrad atomic power plant, automatically switched off on Tuesday due to faults in the excitation circuit of the sixth turbogenerator, was restarted today and is gradually regaining its designed capacity. The sixth turbogenerator is already operating at a 200-megawatt regime, and the fifth one is about to be connected to the power grid.

ITAR-TASS was told by officials of the Public Relations and Information Centre of the Leningrad atomic power plant that the safety limits and rules of the plant were not violated during the regulation on the third generating unit. The radiological situation at the plant and in the town of Sosnovy Bor remains normal.

Economic Issues

Yeltsin Edict Grants Foreign Investors Import Concessions

MM0102145595 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jan 95 First Edition p 5

[Russian President's Edict No. 73 of 25 January 1995 signed in Moscow by President Yeltsin: "Benefits for Foreign Investors. Russian President's Edict on Additional Measures To Attract Foreign Investors into Material Production Sectors of the Russian Federation"]

[FBIS Translated Text] For the purpose of attracting additional foreign investments for the implementation of large-scale projects in material production sectors in the Russian Federation, **I decree**:

1. To accept the Russian Federation Government's proposal on the application to individual groups of commodities (excluding alcoholic beverages and tobacco goods) of customs import duties reduced by half on their import into the customs territory of the Russian Federation.

2. To establish that customs import duties reduced by half may be applied to foreign commodities for no more than five years on condition that the foreign companies which supply them are founders of enterprises for the production of such goods on the territory of the Russian Federation using Russian raw materials and employing Russian workers and make direct capital investments in material production sectors in the Russian Federation equivalent to at least $100 million. In this regard the foreign participant's investment in the incorporation capital of such an enterprise must be equivalent to at least $10 million.

The reduced rates of customs import duties are applied to foreign goods by decision of the Russian Federation Government adopted on the basis of the investment agreement concluded by the foreign investor and the federal executive organ authorized by the Russian Federation Government.

The aforementioned investment agreements are to be concluded in the light of the needs of the domestic market and the need to increase the Russian Federation's export potential.

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The investment agreement shall establish among other things: the volumes, area, and timetable of the foreign investments; the list, volumes, timetable, and procedure for the sale of the foreign goods on the Russian Federation's territory; and the sides' liability in the event that the terms of the investment agreement is breached and the procedure for its early cancellation.

5. The Russian Federation Government;

shall elaborate and approve the procedure for the application to foreign goods of the customs import duties reduced by half and also a statute on the procedure for concluding and implementing investment agreements envisaged by the present Edict;

and within two months shall submit for examination by the Federal Assembly chambers draft legislative acts designed to attract foreign investments on the terms laid down by the present Edict.

4. This Edict goes into force from the day of its publication.

[Signed] B. Yeltsin, president of the Russian Federation.

[Dated] The Kremlin, Moscow.

25 January 1995.

Edict No. 73.

Central Bank Denies Requiring Foreign Investment Licenses

MK0202130095 Moscow SEGODNYA in Russian 2 Feb 95 p 1

[AFI report: "Russian Central Bank Does Not Require Licenses for Foreign Investors"]

[FBIS Translated Text] The Russian Central Bank has denied assertions that have emerged in the press that nonresidents wishing to make investments in hard currency will allegedly be obliged to acquire a Central Bank license. A spokesman for the Central Bank said that Russian currency legislation does not provide for "any licensing for nonresidents who carry out capital operations, including investment in freely convertible currency." Accordingly, the spokesman clarified, the Russian Central Bank does not carry out such licensing with regard to foreign investors.

Federation Council 'Will Probably Not' Pass 1995 Budget

MM3101133595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Jan 95

["Own Information" report: "Budget: Will There Be One or Not"—from the "Delovoy Vtornik" section p 1]

[FBIS Translated Text] The State Duma has now given the draft law on the federal budget for 1995 its second reading. First of all the deputies rejected this document, with Communists and Agrarians objecting to it for the main part. Vice Premier Anatoliy Chubays brought about a turning point when he promised that just as much money as last year would be allocated in the new budget for the agroindustrial complex, in other words just over 12 trillion rubles [R]. A total of 263 deputies voted for the document. The main provisions of the federal budget were adopted: R242.9 trillion for expenditure and R169.8 trillion for revenue. The budget deficit ceiling was set at R73.1 trillion, or 30.1 percent of the federal budget expenditure.

"The Federation Council will probably not adopt the budget in its present form." This opinion was expressed by Nikolay Gonchar, chairman of the Federation Council Budget Committee. He noted that there is also a great possibility of the Federation Council reexamining the question of proposing to the State Duma that a vote of no confidence in the government be passed. "The number of Federation Council members voting against the government grows with every ballot which concerns the government in any way," N. Gonchar said. N. Gonchar believes that if the question of the Federation Council's appeal to the State Duma is raised in the upper chamber of parliament, then "a good 70 percent of Federation Council members will vote for it."

Finance Minister Hospitalized With Aggravated Stomach Ulcer

LD0202111395 Moscow ITAR-TASS World Service in Russian 1053 GMT 2 Feb 95

[FBIS Translated Text] Moscow, 2 Feb (BUSINESS-TASS)—Russian Finance Minister Vladimir Panskov has been taken to hospital with an aggravated stomach ulcer, BUSINESS-TASS was told at the reception office of the Finance Ministry.

Vladimir Petrov, his first deputy, will work as the country's acting chief financier.

Davydov Denies Oil Exports Financing Yeltsin Administration

LD0102190095 Moscow ITAR-TASS in English 1744 GMT 1 Feb 95

[By ITAR-TASS correspondent Irina Bolshova]

[FBIS Transcribed Text] Moscow February 1 TASS—Russian Vice-Premier and Foreign Economic Minister Oleg Davydov denied on Wednesday that his ministry granted a right to export oil to a company to help finance President Boris Yeltsin's administration. He referred to the IZVESTIYA daily's report saying that the ministry had authorized Rostoplivo to export crude oil and refined oil products "for financing the programmes of the administrative department of the presidency". According to the daily, this meant that "the authorities are secretly creating their own shadow economy".

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Registration of oil exporters is fully stopped now, and no new additions to the list of oil exporters have been made, Davydov said. He also said that all the ministry's decisions related to the export of strategic raw materials were disclosed to the press. Such reports "are not only untrue to fact, they cause significant damage to our foreign economic links", according to Davydov.

Now, only 14 Russian companies, that is eight oil producers and six major trade companies, have a right to export oil, according to Davydov. These companies have proved this right by performing all their obligations before the state for several years. Nobody else will receive such a right. Exemptions can be made only to perform federal programmes if the government specially decides to do so, the vice-premier said.

On January 25, the ministry's collegium considered Rostoplivo as a potential oil exporter, but finally rejected its inclusion in the list due to the current ban on any additions, Foreign Economic Relations Deputy Minister Andrey Dogayev explained.

No Fall-Off in Oil Supplies Despite Fears About Duty Level

MM0202140995 Moscow ROSSIYSKIYE VESTI in Russian 2 Feb 95 p 2

[Article by Vladimir Chuprin: "Oil Exports Henceforth to be Regulated by Duty, Not by Bureaucratic Whim"]

[FBIS Translated Text] With the adoption of the decree "On Exports of Oil and Petroleum Products Outside the Russian Customs Territory From 1 January 1995," the Russian Federation Government has a real hope of financial aid from the IMF: $600 million to rehabilitate oilfields and $13 billion to stabilize the ruble in 1995.

Addressing a conference at the beginning of the year, Russian Federation Economics Minister Yevgeniy Yasin said that in terms of its significance the only thing that can compare with the adopted document is the decision on the commencement of the reforms in 1992. We have gone from administrative edict regulation arrangements to market regulation. By using tariffs and duty, instead of restrictive quotas.

The former export system was constantly criticized by economists at home and abroad. The continuing state monopoly in this sphere, they claimed, creates a basis for corruption in the bureaucracy. The restrictive quota barrriers were often compared to the "Soviet and state plan system of producer control."

From this year the situation changes radically. The government decree has abolished oil export quotas and licences. Exports are no longer contingent on the compulsory supply of 65 percent of the extracted crude to the domestic market.

Experts believe that the cabinet of ministers "killed two birds with one stone" with this decision. In the first place, it demonstrated to the IMF its willinginess to conduct economic reforms in the country. Second, it took care of the revenue part of the budget.

Despite the apparent reduction in the tax burden (from $45 per tonne of exported oil in 1994 to 23 ECU's in 1995), the Finance Ministry is expecting a substantial increase in hard currency revenue. Indeed, duty is now charged on the entire volume of exports, not on one-fourth, as before.

"There is no danger that the lifting of restrictions will give the green light to the uncontrolled pumping of oil abroad," ROSSIYSKIYE VESTI was told by Anatoliy Usachev, chief of the Economics Ministry Fuel and Power Complex Main Administration. "In past years, when there were quotas, the 'export pipe' was operating practically flat-out. With the best will in the world, Russia will not be able to supply Western consumers with more than the oil pipelines allow. After all, exports of oil by rail or by sea account for a small proportion of the total volume of exports. The level of duty plays the main role in settling this matter. Formerly, if an exporter was supplying oil to the domestic market he was totally exempt from paying duty, now he has to pay 23 ECU's for each tonne sold. This sum is determined by the government decree for the first quarter. It is not inconceivable that it will increase or decrease in April. Before 1 February we have to analyze the proposals from all interested ministries. The optimum amount of duty is that which makes it economically advantageous for an exporter to supply both the foreign and domestic markets with oil."

According to Anatoliy Usachev, access to the system of export oil pipelines is still on the agenda. Those aspiring to this role must be professionals. They will be selected by a Conciliation Commission on the basis of parameters that are unclear as yet. It is expected that it will include representatives of fiscal organs, as well as of the specific departments.

The first month of the new year shows that 23 ECU's per tonne is the golden mean that suits both the state and the exporters. And although it was said at a recent operations conference at the government that the duty was allegedly "ruining" exporters and it should be lowered to 15 ECU's per tonne, supplies have not fallen off. In the first 17 days of January they amounted to around 3.5 million tonnes—about as much as in the same period last year.

Kuchma Discusses Azerbaijani Oil Imports Via Georgia

AU0102172695 Kiev URYADOVYY KURYER in Ukrainian 31 Jan 95 p 3

[Report by Stepan Yaloveha: "Transcaucasian Oil Pipeline: From Words to Deeds"]

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[FBIS Translated Text] During the state visit to Georgia by the Ukrainian delegation headed by Ukrainian President Leonid Kuchma, the possibility was discussed of transporting Azerbaijani oil to Ukraine via Georgian ports.

The "Ukrzakordonnaftohazbud" [Ukrainian Overseas Oil and Gas Building] Association will be in charge of designing and building a Transcaucasian oil pipeline from Baku [in Azerbaijan] to the ports of Poti and Batumi [in Georgia], from where the oil will be shipped to Ukraine. According to the association's general director, Ivan Dadyverin, who was also a member of the delegation, a joint-stock Ukrainian-Georgian-Azerbaijani company is now being created. It will build an oil pipeline over 500 km long. It is therefore very good that the Supreme Council has finally agreed to build an oil terminal near Odessa. After its building is completed, Ukraine will be able to ship oil by tanker from Poti to Odessa for processing at our oil refineries.

Investor Confidence Shaken as Oil Exporter Suffers Blow

MK0102133095 Moscow KOMMERSANT-DAILY in Russian 1 Feb 95 pp 1, 9

[Report by Aleksey Sukhodoyev, Aleksandr Tatushkin: "'Purneftegaz' Removed From 'Sidanko.' 'Sidanko' Deck To Have One Trump Card Fewer"]

[FBIS Translated Text] A question that has seen lively discussion in the Russian oil community for the past several months—whether or not the Purneftegaz production association will join the Sidanko company—has finally been resolved. Given that the association was included in the holding company by government decree at its inception last May, the dilemma may appear odd, but what is a transition period for if not to let property distributed by decree to pass hands with miraculous ease according to the current alignment of forces in lobbying groups. This is precisely what happened in this particular case: On 24 January the Russian Government ordered that Purneftegaz's block of shares be excluded from Sidanko's authorized capital. As a result, the latter will lose approximately one-fourth of its projected overall oil production and a considerable part of its resource base, which will relegate it to the second rank of Russian oil companies.

The history of forming Sidanko is fairly unique—none of the newly created oil companies have encountered problems of such a magnitude in determining its composition. To be fair, it should be noted that the fitting in of the parts of a mechanism made up of not quite standard elements (and by a very high-ranking designer in the bargain) always takes some grating and grinding. Sidanko President Anatoliy Sivak's colleagues managed, however, to prevent local conflicts from causing a complete break (maybe, for this reason practically no outsiders knew anything about the conflicts).

The outcome of Mr. Sivak's struggle for Purneftegaz may be attributed to his miscalculation regarding the current alignment of forces. Following in Purneftegaz's wake is the Noyabrskneftegaz joint-stock company, historically linked to it, while precisely this duo could be the sole basis for a vertically integrated company to be set up on the basis of Rosneft. Given that technological ties were only a pretext enabling both sides to voice their claims, the conclusion was evident—Rosneft, a state-owned enterprise (the successor to the USSR Oil Ministry), proved to be much closer to the corridors of power.

As for the further development of events, two options immediately come to mind. Given the fickleness and unpredictability of changes in the government's mood, one may suggest that the status quo may well be restored—the government decree did not deprive Anatoliy Sivak of the possibility to appeal. The presidential edict on oil companies, which is about to be signed within the next few days, will set a certain period (from one to two months) to finalize the companies' structures. Afterward a government decree is to follow containing a detailed list of enterprises assigned to one company or another. Only when this decree emerges will it be too late.

Even if the current solution (that is, with Varyegannefteqaz, Kondpetroleum, Chernogorneft, and Udmurdneft, but excluding Purneftegaz), turns out to be final, Sidanko by itself will not be an altogether unpromising company. The company's status on the oil and stock markets can be restored, even if at a certain cost. The sole clearly negative consequence will be Sidanko's inability to fulfill its obligations as the government's authorized supplier of oil products to East Siberia and the Far East: even the currently operating Khabarovsk and Komsomolsk refineries may be left with starvation rations because they were included in Sidanko on the assumption that Purneftegaz's production volumes will feature in the company's balance.

This reshuffle is unlikely to have any considerable impact on the operation of the Russian oil industry in terms of its immediate production prospects, but from the point of view of the enterprises' attractiveness for foreign investors the harm done by it is evident: investors have received yet more proof of the uncertain situation in Russia, this time in a sector which they have considered to be the most acceptable investment target. Mr. Sivak was one of the first "oil generals" to inaugurate his companies in London last year. According to Western observers, his emotional statement was a success and Sidanko's name rang out for a time on the local stock exchange. But can one trust generals from under whose very nose nearly half an army can be led away overnight?

[Article includes the following boxed chart]

Sidanko's oil production (as of 1994)

34.4 million tonnes with Purneftegaz

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25.96 million tonnes without Purneftegaz (8.44 million tonnes)

Yeltsin Signs Law on Financing State Expenditures

LD0102131995 Moscow ITAR-TASS in English 1245 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow February 1 ITAR-TASS—President Yeltsin today signed the federal law "On financing state expenditures from the federal budget in the first quarter of 1995", says a statement by the presidential press service, forwarded to ITAR-TASS today.

"At the same time, while signing the document, the president addressed a letter to the State duma, containing several specifications and reservations concerning this law," the statement notes. "For instance, the president drew attention to the fact that Article 12 of the law was unlawful, because the Constitution does not stipulate any control by representative bodies over the Government's execution of its separate decisions, linked with the spending of budget means. It envisages only a report of the Russian Government on the execution of the federal budget as a whole. Several other articles of the law also call for further elaboration."

"In light of this, though he has signed the law, the president moves to reconsider it and delete Article 12," the statement of the press service says.

G-7 Finance Ministers Likely to Meet Without Russia

LD0202131195 Moscow INTERFAX in English 1141 GMT 2 Feb 95

[FBIS Transcribed Text] Moscow, Feb 2 (FIA) [Interfax Financial Information Agency]—The meeting of finance ministers of seven leading industrialized countries, scheduled for later this week in Toronto (Canada), is likely to be held without Russian representatives.

A FIA correspondent learned from sources close to the Russian government that Russian Economics Minister Yevgeniy Yasin, responsible for maintaining contacts with the G-7, arrives in Moscow from Davos on Thursday evening and is expected to have several business meetings on Friday and Saturday.

Finance Minister Vladimir Panskov is unable to leave for Toronto. On Wednesday he was checked into the Central Clinical Hospital in Moscow because of a worsening stomach ulcer. First Deputy Minister Andrey Vavilov, who in 1994 took part in similar G-7 meetings, is also sick.

Recently, finance ministers of the Group of Seven, which includes the United States, Canada, Germany, Britain, France, Italy and Japan, decided to expand the agenda and include in it, apart from questions associated with the financial crisis in Mexico, the discussion of current economic problems in Russia.

The G-7 states are the main financial donors of the International Monetary Fund, and IMF decisions on aid to individual countries largely depend on their position on concrete problems facing world politics.

New Tatar Premier Views Economic Problems

MM0202145995 Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 95 First Edition p 6

[Interview with new Tatar Prime Minister Farid Mukhametshin by Dmitriy Mikhaylin; place and date not given: "Via Reasonable Reforms. Quitting the Post of Speaker, Farid Mukhametshin Becomes Tatarstan's Prime Minister"—first paragraph is introduction; published as part of full-page feature garnered from issue 17 of the All-Russia Tatar newspaper BERDEMLEK (Unity)]

[FBIS Translated Text] At the last session of the Tatarstan Supreme Council before the new parliamentary elections Farid Mukhametshin was ratified as prime minister. Former prime minister Mukhammat Sabirov quit because he is retiring on pension. Farid Mukhametshin was previously the speaker in the republic's parliament.

[Mukhametshin] The republic's economy is experiencing a slump. This year's budget has carried over debts of 400 billion rubles [R] from last year. And it has only been approved for the first quarter.

The government must today take very resolute steps to stabilize the economy. But I hope that our reforms will be reasonable: We will try nonetheless to preserve elements of state regulation.

There must also be changes in the government itself. On the one hand, it must be cut back and, on the other, reinforced with competent and talented people.

[Mikhaylin] Could you tell us the most "painful aspects" of Tatarstan's economy?

[Mukhametshin] Primarily the military-industrial complex. It is causing us a major headache because there is no call for the technical, scientific, and human potential. However, I hope that in time defense enterprises will greatly benefit the republic's economy.

Today we are forced to provide support for our agro-industrial complex. There are also problems in the construction industry—this year we are planning to step up all kinds of construction. Primarily housing construction.

As for the oil complex, the difficulty here is not so much in extracting the oil—although not everything is going smoothly here either—as in selling it. Excise and customs duties are now fixed as such a level that oilmen are losing interest in the job.

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[Mikhaylin] Is there every indication that the period of the "softly-softly" entry to the market, of which there has been so much talk, can be considered to be at an end?

[Mukhametshin] Prices in Tatarstan are virtually comparable to Russia-wide prices on average. But the completion of the "softly-softly" policy does not mean that we are renouncing our active policy of providing the population with social protection. Whereas previously we subsidized agriculture in an attempt to protect everyone at once, so to speak, now social protection is targeted. Assistance will be given to those who most need it.

A few days ago it was decided to raise the republic's minimum wage to R110,000. That is a very major step. It will require large republic budgetary appropriations. Enterprises unable to pay this wage themselves will have to be given support.

Work is also continuing on the program to ensure the republic's socioeconomic progress. Some people may say that it is inappropriate to talk about progress when the question of survival is on the agenda. But that is the maximum task now confronting the republic's new government.

State Tax Service Collects 36% of Planned Taxes in 1994

LD3101140995 Moscow INTERFAX in English 1121 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—Russia's State Tax Service collected 135.6 trillion rubles in taxes and other compulsory payments, including hard-currency ones, last year. The total volume of taxes collected in 1994 was 3.5 times greater than in 1993, which slightly exceeds the year's inflation rate, announced the State Tax Service's press service.

At the same time, the share of collected taxes in the gross domestic product decreased from 24 to 22%. The federal budget revenues stood at 36% (48.3 trillion rubles) of the target figure.

The press service announced that tax revenues, foremost to the federal budget, decreased in 1994 largely due to growing insolvency of industrial enterprises. As a result, the shortfall reached 9.3 trillion rubles by January 1, 1995, which was five times more than by the same date in 1994.

Moreover, as a result of the decision to leave up to 30% (in some branches up to 50%) of the capital at industrial enterprises' disposal for paying wages and for meeting other needs, the debt reached 5.5 trillion rubles (60% of the entire debt).

The problem of tax evasion became even more acute last year. As a result of checks and financial sanctions, the tax service added over 30 trillion rubles to the consolidated budget, including 18 trillion rubles to the federal budget. However, in view of serious financial problems and the absence of capital on the tax payers' bank accounts, only one quarter of additional taxes have been levied.

Shipbuilders Protest Defense Ministry's Failure To Pay Debt

MK0202131095 Moscow NEZAVISIMAYA GAZETA in Russian 2 Feb 95 p 2

[Report by Yekaterina Deynego under the "In Brief" rubric: "Shipbuilders on Hunger Strike"]

[FBIS Translated Text] Representatives of the Russian Union of Shipbuilders called in journalists to the Federation of Independent Trade Unions of Russia yesterday to highlight the situation caused by enormous delays in the payment of workers' wages in this industry. Union chairman Vladimir Makarchik said that back on 29 December of last year the government signed a payment order requiring that all debts for the 1992 defense order be repaid, but the money transferred to the Defense Ministry has effectively never reached the enterprises and appears to have sunk without a trace. Even Deputy Defense Minister Kokoshin, during his 13 January meeting with a delegation of trade union representatives, could not say anything regarding its whereabouts. Mr. Makarchik pointed out that since 1994 virtually all Russian military leaders, including Yeltsin, Chernomyrdin, and Grachev, have visited the trade union's home city of Severodvinsk and "they all took turns trying to convince us that workers of the Severodvinsk nuclear submarine enterprise are Russia's genuine national heritage." Nonetheless, presently it appears as if they have all conspired to bring the industry down to a complete collapse. Given that, from 17 to 21 January seven workers of the "Zvezda" scientific-production association and four employees of the "Arktika" production association were on hunger strike in a compartment of the Akson submarine, which is undergoing modernization.

Chernomyrdin Comments on Railway Agreement, Regional Policy

LD0102180595 Moscow INTERFAX in English 1410 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, Feb 1 (INTERFAX)—Russian Prime Minister Viktor Chernomyrdin has gauged a new general agreement that the railway ministry and regional governments signed in Moscow as an example of new approaches to regional policy.

The development of a leading economic sector will at first be put on the basis of a balance of interests by the center and regions, he told a meeting of senior ministry officials and regional leaders in Moscow Wednesday.

The regions are now expected to raise money to finance the construction of vital railway facilities. For its part,

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the railway ministry is committed to provide better services and develop a network of service centers for regions and enterprises.

The latest deal offers the possibility of a major breakthrough in relations with Russian regions and for producing mechanisms which can be used to build up a new pattern of regional policy, Chernomyrdin believes.

He called for widening the practice of price agreements between different regions and economic sectors with an aim of stabilizing transport tariffs. Linked to this, Chernomyrdin reminded the audience about the positive effects of last year's cartel agreement between the railway ministry and basic industries intended to curb rising tariffs and prices. As a result, transport costs were reduced by 400 billion rubles and tariffs by 30 percent-40 percent compared with average wholesale prices in the industrial sector.

Chernomyrdin praised what he described as a "heroic effort" by military and civilian railway workers who helped reopen rail traffic from Mozdok (North Ossetia) to Kizlyar (Dagestan) via Chervlennaya- Uzlovaya junction (Chechnya) in a period of little more than a month.

Roundtable Discusses Ways To Tackle Unemployment

MM0102161595 Moscow RABOCHAYA TRIBUNA in Russian 31 Jan 95 p 1

[Report by Natalya Ivanova under the "From a Competent Person" rubric: "'Superfluous People' Are Our People Too"]

[FBIS Translated Text] The Social Policy Council under the Russian Federation president has held a "roundtable": "Unemployment in Russia: Myth, Inevitability, or Objective Reality?"

So, what did we have by the end of 1994? This is what we had. The Russian State Committee for Statistics attests that the economically active population is made up of 74.9 million people. This is half of all Russians. It means that this half must provide the other half with food and drink. But not all of them work. Some 5.3 million people are unemployed. Although only just over 1.5 million are officially registered with employment service organs.

So few? you will ask, remembering your neighbor Ivan Petrovich, who has turned from a first-rate turner into an "eternal vacationer." Here too the State Committee for Statistics does not console us. The extent of incomplete employment at the end of 1994 was estimated at 4.8 million people. The overall potential for unemployment in the country today stands at more than 10 million, which is 13.5 percent of the economically active population.

A. Kotlyar, director of the Central Labor Institute, brought a diagram to the "roundtable." It compares the figures for consumption of particular foodstuffs with the figures for the rational norm necessary for a normal person to live. Thus, in the overstocked Western "paradise" there is far more of everything than you could, or should, treat yourself to. But in our country, although we seem to have an abundance, we attain the rational norm only with regard to consumption of potatoes and bread.

What is to be done? Maintain the artificially concealed unemployment?

The "roundtable" was unable to resolve all the problems connected with one of the acutest problems of the day. It had a different aim—to make a social diagnosis of this phenomenon. To offer the Russian Government its own options for a way out of the crisis. It was said at the "roundtable" that solving the employment problem must be one of the priorities of the State Socioeconomic Policy. Among the proposed urgent measures the "roundtable" participants cited these:

—It is necessary to increase the proportion of assets from the federal employment fund which are redistributed on a current basis to the country's territories from 20 percent under the existing legislation to 30 percent;

—The competitive distribution of assets mobilized to central funds for the creation of new jobs in the country's regions, whereby priority must be given to territories where the highest level of "labor" tension is developing;

—The regularization of migration processes in Russia. The granting of a special status to border regions with regard to problems of employment;

—The regulation of employment among particular groups of the population—women, invalids, and young people.

Decline in Agricultural Production Deplored

MM0102152595 Moscow TRUD in Russian 31 Jan 95 p 3

[Article by Vasiliy Shchurov: "Guns, Not Butter"]

[FBIS Translated Text] Two seemingly unconnected events took place in late January. The agrarian faction in the State Duma, having categorically demanded 16 trillion rubles [R] in budget support for the countryside, suddenly backed down during a meeting with Vladimir Panskov, head of the Finance Ministry. Deputies agreed to back the government's budget (and soon all voted "yes) provided that R14 trillion is allocated to meet agro-industrial complex requirements. The concession might be considered just a compromise between various political forces had the Russian Federation State Committee for Statistics not published the economic results of the third year of reform the day before. The figures reflecting the state of the agro-industrial complex provided convincing evidence that agrarian specialists had no time left for a "tug-of-war" with the Finance Ministry and the Ministry of the Economy.

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See for yourselves. Based on the results of the year half the kolkhozes, joint-stock companies, and limited partnerships had only losses to show while over 12,000 private farms were not only bankrupt but had already abandoned the land. Whereas in 1993 agricultural production was at least 50-percent profitable, last year this had dropped to 4 percent. The president's December edict rescheduling loan payments only slightly eased the stranglehold of debt around the peasant's neck. The income from the sale of what was grown has already been spent and the new harvest will not ripen before the fall. And before that it is necessary to carry out the sowing campaign, i.e. buy equipment, fertilizers, seed, and fuel.... However you look at it, there is no means of making it through to spring never mind fall without credit, immediate credit at that.

You may ask, how can a food producer in a country which does not have enough to eat and where demand for food is always high, end up without money as early as January? Principally, production itself is continuing to fall. Thus, Russia's grain harvest proved the lowest in the last decade, to wit, 81.3 million tonnes. Some 33.8 and 13.9 million tonnes of potatoes and sugar beets were obtained—90 and 50 percent respectively of the previous year's level. Things are equally grim at private farms. Meat and milk production for instance have dropped by 1.1 and 3.7 million tonnes respectively.

But the paradox is that even with a record harvest there would be no signs of plenty in the countryside today. Gaydar's "liberalization of prices" and Chubays's option for the privatization of agro-industrial complex enterprises have affected the peasant worst of all. According to statistics, over the last three years prices of products used by the countryside have risen five times faster than food purchase prices. During the privatization of agro-industrial complex enterprises the controlling block of shares ended up in the hands of procurement personnel and now former partners are dictating their purchase prices.

Today even grain production—previously the most profitable business—has spelled losses for many farms. One can see now the worth of the arch speeches about "raising purchase prices to world level." To this day procurement personnel are offering less than R200,000 per tonne of grain while world prices are around $150-$160. Convert the amount in "worthless rubles" into hard currency and, as television advertisers would say, feel the difference.

People in the countryside could feel it even before the ruble collapsed. That was why they were in no hurry to carry out the "first commandment." No, they did not harbor hopes of selling grain for hard currency since our Western friends will not let competitors into their markets—the peasants simply waited for their own government to revise purchase prices. They are still waiting. And by the end of the year the grain silos had received 16 million tonnes of grain—only one-fourth of the prescribed target. Against this backdrop Vice Premier Aleksandr Zaveryukha's recent statement regarding a possible return to grain imports no longer simply looks like a political move designed to allocate the countryside additional subsidies. It will indeed either be necessary to tighten one's belt or hunt for oil to settle up with Canadian farmers.

However, that is for the future. This year—and one must be honest and admit it—we are doomed to be dependent on the West for food. After all fields and farms are becoming less productive—food industry production is also falling. Sugar and margarine production, for instance, has dropped by almost one-third in a year. Meat and sunflower oil production has dropped by 23 percent and butter production by 33 percent.

The major cities have already felt the alarming symptoms of a food shortage. Today are large proportion of the goods on sale in Moscow's and St. Petersburg's food stores is imported. How can one fail to remember December when butter completely disappeared from Moscow's stores and people waited in line for sugar? Mayor Yuriy Luzhkov asked for the government's long-promised money to be earmarked for procurements abroad.... However, you can understand the government's position. It was in December that the military operation began in Chechnya—an operation that has cost the budget a great deal and which stands to cost it yet more. Rephrasing the well-known saying one can put it like this: When the guns speak, food disappears.

Comparisons shed light on things and there is a comparison we can make with our countryside's current position.

I have two columns of figures in front of me. The first contains the indicators for the number of livestock in the villages of what was then the Union in 1928 and 1933. A kind of graphic illustration of reaction of peasant livestock yards to the "great change" [Stalin's reversal of economic policy in 1929]. And next to them lies a glimpse of Russian livestock farming nowadays—the figures for 1990 and 1994. This shows the state of private farms in the light of the present-day agrarian reform. Why are we taking this as a point of departure? It has long since been pointed out that great agrarian upheavals primarily target dumb domestic livestock.

Thus, at the end of NEP [the New Economic Policy] the peasants had 70 million cattle, 60 million hogs, and 148 million sheep and goats. After collectivization the number of cows and hogs roughly halved while the number of sheep and goats dropped by a factor of three. By the beginning of the current agrarian reform there were 57 million cows and steers at private farms and plots, 38 million hogs, and 58 million sheep and goats. By early this year the above indicators had dropped by 12.6, 12.5, and 21.9 million head respectively.

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The fall is certainly not as large as in the early thirties. But reform is after all only just gaining momentum. If we do nonetheless carry it out at the peasant's expense, I am afraid that we will "catch up with and overtake" [ironic reference to Khrushchev's boast about rapidly overtaking America economically] the previous figures.

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International Affairs

OSCE Signs Agreement on Mutual Understanding

LD0102214195 Moscow ITAR-TASS in English 2131 GMT 1 Feb 95

[By UKRINFORM correspondent Tatyana Kovalevskaya for TASS]

[FBIS Transcribed Text] Kiev February 1 TASS– The Organization for Security and Cooperation in Europe (OSCE) signed a memorandum on mutual understanding, a spokesman for the Ukrainian Foreign Ministry said.

The document lists the principal directions for cooperation and provides for the necessary organizational and technical support of the OSCE mission, which has been staying in Ukraine since last November.

The main goal of the mission established under the decision of the CSCE (OSCE) senior officials of June 15, 1994, is to help settle the situation around the Crimean Republic, and to supervise the compliance by the Crimea with the Ukrainian Constitution, especially its provisions about Ukraine's sovereignty and territorial integrity.

The objectives of the mission are to establish contacts with bodies of government, various associations and non-state organizations with a view to collect information, to ease tensions and to ensure mutual understanding.

Kuchma 'Surprise' Over Yeltsin Comments on Treaty

WS0102134095 Kiev INTELNEWS in English 0039 GMT 1 Feb 95

[Report by Viktoria Kulakova]

[FBIS Transcribed Text] Kiev, Jan. 31. President Leonid Kuchma expressed surprise Tuesday over media reports that Russian President Boris Yeltsin's recently stated that negotiations on the Ukrainian-Russian Friendship and Cooperation Treaty will fall through if provisions for double citizenship are not included.

Kuchma said he heard the statement in Poland last week. "I am sure that it was a misunderstanding. We discussed the issue several times. I am convinced he was referring to a similar agreement between Russia and Kazakhstan," said a bewildered Kuchma.

Agreements aimed at the integration of Ukraine, Russia, and Belarus are under close supervision by Kiev to ensure they meet the national interests of Ukraine, said Kuchma. He also criticized accords signed by CIS members, saying bilateral agreements function better than multilateral agreements between CIS countries.

But Kuchma said he continues to support close ties with his neighbors. Foreign Trade Minister Serhiy Osyka will be responsible for ties specifically with CIS countries in his new post of deputy prime minister.

"My approach to integration has been always positive. We cannot isolate ourselves from integration, only to find ourselves left on the roadside," said Kuchma. "I do not rule out the possibility of establishing a customs union," he added. The president said Ukraine has already drawn up a free trade regime agreement with Russia, as evidence of Ukraine's support for closer CIS ties.

But the laws approved by the Parliament prohibit Ukraine from joining any military political unions. "I am a citizen who adheres to the law," said Kuchma.

Kuchma made the statement at the unveiling of an apartment complex built for Ukrainian Soviet Army veterans who served in East Germany. Visiting German Finance Minister Theo Waigel praised Kuchma's efforts to radically overhaul the Ukrainian economy. "I would like to support your course. Even in the case of resistance, Germany will not leave you alone, I assure you."

Kuchma Meets Russia's Gazprom Company Reps

LD0102182695 Moscow INTERFAX in English 1615 GMT 1 Feb 95

[FBIS Transcribed Text] Kiev Feb 1 (INTERFAX-UKRAINE)—President Leonid Kuchma met with officials of the Russian joint stock company Gazprom on Wednesday morning. As he spoke at the session of the organizing committee for celebrations of the 50th Anniversary of Victory in World War II, Kuchma avoided disclosing any details. He said however, that nobody would give anything Ukraine on credit. The reason for this are two-fold—declining gas production in Russia and Ukraine's debt for back supplies, meaning that some Gazprom enterprises have been unable to pay wages to their workers since August.

Kuchma warned that in 1994 all gas resources from state storages, 17 billion cubic meters, were gone through.

Soldiers Return Home in Coffins From Chechnya

LD0102171895 Kiev UNIAR in Ukrainian 1300 GMT 1 Feb 95

[FBIS Translated Text] Odessa, 1 Feb—Several aircraft carrying Zinc coffins with the bodies of servicemen, who served in Chechnya with the Armed Forces of the Russian Federation, arrived on 31 January. Coffins containing the bodies of two officers were unloaded in Odessa. After a short break in the Black Sea city, the tragic cargo continued its journey to Kherson and Moldova.

Graduates from the Odessa School of Artillery, who joined the ranks of the Russian Army after completing their training, were among the dead.

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Russians Using 'Corpse Teams' in Chechnya

LD0102191995 Kiev UNIAN in Ukrainian 1615 GMT 1 Feb 95

[FBIS Translated Text] Kiev—"According to information provided by a Russian army officer, a Ukrainian by descent, who arrived from Chechnya on leave, special 'corpse teams,' formed by veterans of special troops, have been set up within the Russian army," the Congress of Ukrainian Nationalists secretariat says in a report circulated today. "Their task is to destroy corpses and remains of Russian soldiers and local civilians, especially women and children, with the aim of playing down the number of those killed.

"Though the efficiency of these teams is so far low," the report by the Congress of Ukrainian Nationalists says, "because Chechen snipers hamper their work in daytime, while at night corpses are not 'reflected' in night vision devices."

National Affairs

UNA-UNSO Group Visits Chechnya

AU0102172395 Kiev HOLOS UKRAYINY in Ukrainian 31 Jan 95 p 16

[Unattributed report: "In the Chechens' Captivity"]

[FBIS Translated Text] As Anatoliy Lupynis, chairman of the UNA [Ukrainian Nationalist Assembly] political section, said at a news conference, a fifth UNA-UNSO [Ukrainian People's Self-Defense] delegation has visited the Caucasus. During the stay there, the delegation held working meetings with the leadership of a number of political and public organizations in Azerbaijan and Dagestan, visited the city of Groznyy and quite a number of places in Ichkeria [Chechnya]. There, it had working meetings with the republic's high state and military leadership. The delegation also visited a place where Russian prisoners of war are held. At the request of the delegation, Dzhokhar Dudayev released from captivity Captain Oleksandr Olefirenko, Ukrainian by origin, who had been commander of a company in the internal troops operational regiment. He told about the conditions in which the prisoners of war are held in Chechnya. According to him, the Chechens treat the prisoners of war in a perfectly civilized manner; neither he nor his comrades were subjected to any torture and were given the same food that the Chechens ate. Oleksandr Olefirenko noted the high discipline of the Chechen home guards. The Chechen units are mainly composed of residents of nearby villages who go to Groznyy to replace their comrades at war.

Navy To Ensure Vessel Safety on Black Sea

LD0102204095 Moscow INTERFAX in English 1900 GMT 1 Feb 95

[FBIS Transcribed Text] Sevastopol, Feb 1 (INTERFAX-UKRAINE)—The Ukrainian navy command confirms its intention to ensure Ukrainian vessels' safety both in and outside the Black Sea, Ukrainian Navy First Deputy Chief of Staff Yuriy Shalyt, told Interfax-Ukraine Wednesday [01 February].

Commenting on the recent statement by the Black Sea Fleet command that it relieved itself of "any responsibility for Ukrainian vessels' safety while navigating," Shalyt said that the Black Sea Fleet command "had along ago relieved itself of this kind of responsibility" and showed "indifference to all cases concerning the safety of Ukrainian and not only Ukrainian vessels in the Black Sea."

According to Shalyt, "it happened not once when vessels comprising the core of the Ukrainian navy responded to the S.O.S. sign and took measures to help."

"The resolution of the issue of ensuring the safety of vessels' navigation depends not on the number of vessels capable of fulfilling this task, but on the desire of the corresponding command," he added.

Shalyt said "active work is underway" to create a centralized system for controlling the sea's traffic. He added that such a system will help to ensure the safety of Ukrainian vessels both in and outside the Black Sea.

Kiev Continues To Provide Crimea With Fuel, Money

AU0102210795 Kiev MOLOD UKRAYINY in Ukrainian 31 Jan 95 p 1

[Report by Volodymyr Prytula from Simferopol: "The Ukrainian and Crimean Governments Have Delimited Their Budgets"]

[FBIS Translated Text] "Those who let their actions speak louder than their words will find a common language with our Kiev colleagues a lot easier," a Crimean statesman told me. While the Supreme Council of the Autonomous Crimean Republic challenges the Ukrainian Parliament now and then, leaders of the Crimean Government and the Ukrainian Cabinet of Ministers have reached an agreement to extend to 1995 the validity of the accord on delimiting the general state and Crimean budgets on the same terms.

Let me remind you that a year ago, the government, headed by [acting Prime Minister] Zvyahilskyy and the [Crimean] Bagrov-Samsonov Government signed an "Agreement on Budget Relations Between the Governments of Ukraine and the Crimean Republic," in accordance with which all taxes that were collected in the Crimea remained in Simferopol, with the exception of 4.3 percent of all profits that would have to be sent to Kiev for the needs of general state programs—Chernobyl, Crimean Tatars, Defense, and so on. In exchange, the autonomous republic was given the right to conduct its own budgetary and taxation policy. However....

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Over the last year, Simferopol transferred to Ukraine's state budget one-half of the sum, stipulated by the agreement. Besides, Crimean authorities in 1994 repeatedly appealed to the center requesting financial and material assistance, and Kiev always provided it. Also this time, as reported by the Crimean Government Press Service, "in order to stabilize the financial situation in the Crimea and create the necessary foundation for its economic and social development, Ukrainian President L. Kuchma on 23 January signed a directive on granting financial aid to the Crimean Republic in 1995.... In 1995, Ukraine takes upon itself the expenditure for those measures that were financed from its state budget in 1994." As reported by the Press Service, as a result of A. Franchuk's trip, a number of questions associated with the provision of the Crimea with energy sources were resolved. For early agricultural work, the republic will get an additional 15,000 metric tons of fuel oil, 4,000 metric tons of gasoline, and 450 metric tons of diesel oil. The limit for electricity supplied from Ukraine has been increased by 100 megawatts.

Local observers predicted that, since the Supreme Council of the Autonomous Crimean Republic had approved the decision on nationalizing all general state property on the territory of the peninsula and on suspending the activity of the Crimean Regional Department of Ukraine's Property Fund, Kiev would not agree to sign the aforementioned document. However, it was not the case.

Proceeding from everything, Crimean state officials have no particular problems in reaching agreements with the Kiev administration.

Moroz: Assets Sold to Foreigners 'for Pennies'

LD0102181495 Moscow INTERFAX in English 1805 GMT 1 Feb 95

[FBIS Transcribed Text] Kiev, Feb 1 (INTERFAX-UKRAINE)—Ukrainian Parliament Chairman Oleksandr Moroz is for state control of economic reforms and economic restructuring. "Without it the Ukrainian state will cease to exist," Moroz told foreign journalists on Wednesday [1 February].

He said that the current mechanisms to carry out privatization undermine Ukraine's future. Due to the lack of a mechanism to assess the value of fixed assets the national wealth is being sold out to foreigners for pennies, he stressed.

Moroz believes that foreigners must not be allowed to take part in the corporitizing [as received] of Ukrainian enterprises if they do not make investments in them. He believes that the executive authorities have failed to take rational steps to enforce national security in the economic field, for instance, to protect state interests in such key industries as power supply, transport and oil refining.

Supreme Council Chairman Warns of Emergence of Mafia

LD0102175395 Kiev UNIAN in Ukrainian 1310 GMT 1 Feb 95

[FBIS Translated Excerpt] Kiev—"We are threatened with the emergence of a Mafia state structure. There is a possibility 500 to 700 Mafia clans will appear, that will have the capability of effecting the life of society," Ukrainian Supreme Council Chairman Oleksandr Moroz told a meeting with the staff of the newspaper VISTI Z UKRAYINY and the society "Ukrayina" today. That is exactly why, in his view, the state should protect, "vertically and horizontally," those spheres in the life of society that determine its independence and ability to defend itself, which, in particular, applies to the energy industry and agriculture.

He added that Ukraine should restructure the state sector of the economy, including support by the issue of money to the industries that are primary for Ukraine to safeguard its interests.

Moroz went on to say he doubted the effectiveness of a presidential republic and believed the Hungarian and Austrian experiences of a parliamentary and presidential republic had an advantage. He questioned the propriety of references by executive authority representatives to the history of the dictatorship in Chile. "Up until 1990, there were not any changes there, the people lived beyond the poverty line, 2 million were reduced to destitution, and it was only a few years ago that the situation there somewhat changed."

He said he thought Ukraine should propose holding a conference at Livadiyskyy Palace in Yalta on the 50th anniversaries of the UN and of the victory in the Great Patriotic War, although he doubted Western states will agree. He said that, although not recognized in international law, the parliament of Crimea had taken the initiative in promoting this conference.

"As for the official status of the Russian language, I will act on the basis of the interests of the society's consolidation," Oleksandr Moroz said, adding that the issue of the languages should not be under parliamentary consideration altogether as "this is a moral and not legal dilemma." He said for the sake of concord in society he will support the official status of Russian, but he was certain "in 10 years the issue of the languages will disappear as there will only be one tongue, i.e. the state Ukrainian language." [passage omitted]

Deputies Excluded From Kuchma Crime Meeting

WS0102133995 Kiev INTELNEWS in English 0039 GMT 1 Feb 95

[By Lesia Rudakewych and Oksana Hasiuk]

[FBIS Transcribed Text] Kiev, Jan. 31—A small scandal could turn into a full-blown battle between President and Parliament following a skirmish Monday at the presidential adminstration.

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Deputies who were shut out of President Leonid Kuchma's Anti-Crime Coordinating Council meeting Monday said Tuesday that they are preparing to present their case before Parliament's general assembly to ask the Parliament to take the matter into criminal proceedings at the General Prosecutors' office. Deputies also said they assess the incident as a major conflict between the legislative and executive branches, provoked by the latter as a show of authority prior to the upcoming battle over the power bill.

A group of 15 Ukrainian parliamentarians were forcibly kept out of Kuchma's crime meeting Monday, including 13 who were members of the parliamentary committee on fighting corruption and organized crime. Also excluded from the meeting were deputies Taras Protseviat and Yuriy Karmasin, members of the committee investigating the Black Sea Fleet Shipping Company (Blasko) scandal. The deputies reportedly wanted to inform the president about corruption at the highest levels of Ukrainian officialdom—including information on some of Kuchma's own top aides.

According to the deputies, the Presidential Administration guard refused to permit deputies to attend the Anti-Crime Coordinating Council on the orders of President's Administration Chief Dmytro Tabachnyk. Tabachnyk reportedly said only persons with special passes to presidential events could attend the meeting.

However, media with regular presidential press passes were allowed entrance mid-afternoon to the meeting that began in the morning. The meeting proved to be an explosive session, with Kuchma blasting the government's poor performance in executing its program against crime.

The excluded deputies maintain that Tabachnyk's actions were illegal. "According to Article 20 of the acting Law on Deputy Status, Ukrainian deputies have the right to attend all—even closed meetings—in all state offices of Ukraine," deputy Mykhailo Ratushniy, member of the parliamentary committy for fighting with organised crime told Intelnews Tuesday. Ratushniy also said he was physically blocked from entering the council session by a presidential guard on Monday.

Roman Krutsyk, another member of the parliamentary committee on fighting organized crime who was detained, said presidential guardsmen also insulted them. After parliamentarians appealed to Tabachnyk by passing a written message through the guards, Krutsyk said Tabachnyk replied that deputies were not included on the list of persons permitted to enter.

Krutsyk said Tuesday that the 15 deputies had in fact contacted Deputy Parliament Speaker Oleh Diomin 10 days before the meeting to be included on the list. Krutsyk also complained that certain deputies were let in to participate, including Vasyl Durdynets, deputy chair of the Anti-Crime Coordinating Council, Volodymyr Stretovych, legal parliamentary committee chair and Hryhoriy Omelchenko, chair of Parliament's committee on organized crime.

In a statement presented to the Presidium immediately following the Monday morning confrontation, deputies described the scuffle, adding, "When the media (television company UT-3) attempted to shoot the incident, journalists were actually thrown away and their equipment was turned off. This forces us to urge that an emergency meeting of the Parliament Presidium be held on February 1, 1995, to discuss the following issue: violation of Articles No. 95, 110 of the Ukrainian Constitution and Articles No. 18, 20, and 26 of the Law 'On the Status of Peoples' Deputies of Ukraine' on the part of Presidential Administration Chief Dmytro Tabachnyk and other Presidential Administration officials." The appeal is signed by deputies T. Protseviat, M. Ratushnyi, S. Khmara, U. Karmazin, R. Krutsyk, U. Sherenin, O. Kozhushsko, and V. Muliava.

Barter Trade Law Signed by Kuchma

WS0102152795 Kiev INTELNEWS in English 0039 GMT 1 Feb 95

[FBIS Transcribed Text] To improve the system of legal regulations of foreign economic activity, to provide regulations for barter trade operations performed by subjects of foreign economic activity in Ukraine, to regulate Ukraine's balance of payments, and in compliance with Paragraph 7-4 of Article 114-5 of Ukraine's Constitution, I enact the following :

1. Establish that a barter trade operation in the foreign trade is defined as one of export and import operations executed as an agreement between a Ukrainian subject of economic activity and a foreign counterpart that envisages a balanced exchange of commodities without either cash or noncash payment (hereinafter referred to as a barter trade agreement).

Barter trade agreements should specify the total cost of commodities exported and imported under this agreement in a U.S. dollar equivalent.

2. All Ukrainian subjects of foreign economic activity are entitled to conduct barter trade operations with goods in accordance with Ukrainian legislation.

3. When conducting barter trade operations whose objects are the commodities listed in Article 6 of this decree, according to Article 19 of Ukraine's foreign trade law, Ukrainian subjects of foreign trade activity should open preliminary import deposits at authorized Ukrainian banks.

Preliminary import deposits can be opened by foreign subjects of economic activity who act as a party to the corresponding barter trade agreement, in favor of Ukrainian subjects of foreign economic activity acting as a party to this agreement.

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4. A preliminary import deposit shall be open for the whole period of implementation of a barter trade operation.

Preliminary import deposits are opened within three working days from the date when the barter trade agreement takes effect, and should be returned to a Ukrainian subject of foreign economic activity (foreign subject of economic activity), who has opened a preliminary import deposit, within three banking days from the date of submission of a copy of the customs declaration to the corresponding authorized Ukrainian bank.

5. The regime of preliminary import deposits shall not be used when subjects authorized by the Cabinet of Ministers carry out barter trade operations under bilateral agreements signed by Ukraine with foreign countries.

6. The amount of a preliminary import deposit shall be determined as a percentage of the total cost of commodities exported under a barter trade agreement and should be:

—50 percent of the total cost of commodities exported under the barter trade agreement, if highly liquid Ukrainian goods are exported and non critical goods are imported to Ukraine under the barter trade agreement;

—10 percent, if highly liquid Ukrainian goods are exported from Ukraine (except agricultural products and highly liquid agricultural processed products) and critical goods are imported to Ukraine;

—5 percent, if highly liquid agricultural products and processed products are exported from Ukraine and critical goods are imported to Ukraine.

Lists of highly liquid goods to be exported by Ukraine, highly liquid agricultural products and processed agricultural products and the list of critically important goods to be imported to Ukraine shall be made by the Foreign Trade Ministry in accordance with a range of exported and imported goods.

Registration of the barter trade agreement shall be executed by the Foreign Trade Ministry and its authorized bodies, including a document confirming the opening of a preliminary import deposit issued by an authorized Ukrainian bank.

Preparation of customs declarations for the goods exported/imported under the barter trade agreement shall be executed in the usual manner, that is, no document confirming opening of a preliminary import deposit issued by an authorized Ukrainian bank is required.

7. Should an object of the barter trade agreement be changed—necessitating re-registration of such agreement—a new preliminary import deposit shall be opened in accordance with Article 6 of this decree. The preliminary import deposit opened in accordance with the barter trade agreement shall be returned in accordance with the procedure set by the National Bank of Ukraine.

8. The amount of a preliminary import deposit shall be set in the U.S. dollar equivalent and converted into Ukrainian currency in accordance with an official exchange rate between a Ukrainian national currency and the U.S. dollar valid on the date of opening of the deposit.

Preliminary import deposits should be opened at an authorized Ukrainian bank in Ukrainian currency, while foreign subjects of economic activities should deposit U.S. dollars.

Preliminary import deposit should be repaid in the same currency in which it was opened.

In cases specified in paragraphs 3 and 4 of part 1 of this decree, preliminary import deposits can be opened by a Ukrainian subject of foreign economic activity (legal entities) by issuing a promissory note to an authorized Ukrainian bank for the term of validity of the preliminary import deposit.

If the barter trade agreement is not implemented, an authorized Ukrainian bank should within three banking days present a bill for payment.

If the barter trade agreement is not implemented and a drawer of the bill does not pay a sum specified in the bill, within three days the bill should be paid in favor of the state by the corresponding Ukrainian bank.

9. Procedures governing operations with preliminary import deposits and their return, including cases of nonfulfillment of the barter trade agreement are determined by the NBU.

10. Preliminary import deposits should not be opened under a barter trade agreement whose objects are goods listed in Article 6 of this decree, unless such agreement was made and registered before this decree came into force.

11. All goods imported under the barter trade agreement should be delivered to Ukraine within the terms specified in such agreement, but not later than within 90 days from the date of customs clearance (the date of issuance of an export declaration) of goods that were exported under the barter trade agreement, and, in case of exports of various services—from the date of the signing of a certificate or some other document confirming the rendering of such services. This term should be neither interrupted nor extended if an object of the barter trade agreement is changed in accordance with Article 7 of this decree.

12. If the barter trade agreement and other foreign trade agreements that envisage payments in foreign currency are re- executed with subsequent re-declaring of goods, preliminary import deposits related to such unfulfilled barter trade agreements should be returned within three

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banking days from the date of receiving of the hard currency earnings under the corresponding agreement. In this case, the maximum term for receiving hard currency earnings (90 days from the date of issuance of a customs declaration under the barter trade agreement) is neither extended nor interrupted.

13. Non-observance of the terms of import of goods (rendering of services) specified in Article 11 of this decree shall result in a fine for each overdue day, the amount of which will be 0.3 percent of the cost of non-obtained goods imported under the barter trade agreement in foreign currency converted into Ukrainian currency, in accordance with the official exchange rate between Ukrainian currency and the U.S. dollar valid on the day of the charging of the fine.

14. The State Customs Committee shall supervise receipt of goods imported under the barter trade agreement and shall inform the State Taxation Inspection of all cases of non-observance of the terms of receipt of goods specified in Article 11 of this decree.

15. The National Bank of Ukraine, in cooperation with the Foreign Trade Ministry and the Finance Ministry, by February 20 should prepare and adopt a document governing operations with preliminary import deposits and their return (including the cases of nonfulfillment of the barter trade agreement) in accordance with Article 9 of this decree.

16. By February 20, the Foreign Trade Ministry should publish in the newspaper URIADOVIY KURIER a list of critically important imported goods and highly liquid export goods.

Signed, Leonid Kuchma president of Ukraine, Decree #84/95

Economic Issues

Economic Projects Discussed With Italian Group

LD0202070095 Moscow ITAR-TASS in English 0639 GMT 2 Feb 95

[FBIS Transcribed Text] Kiev February 2—Italy is interested in maintaining ties with Ukraine. This was stressed at a meeting of Ukrainian President Leonid Kuchma with representatives of the Fata concern from Italy, which was held on February 1. Participants in the meeting pointed to the advantages of the building of a factory in the city of Zaporozhye with the help of Fata, which will turn out aluminium packing foil. The design capacity of the first stage of the factory is 26,000 tonnes of that packing material a year. Other cooperation projects were also discussed at the meeting.

It was pointed out at the meeting that Fata had drawn up a plan of helping the development of various regions of Ukraine. Kuchma said that Ukraine was very much interested in cooperation with Fata. The Ukrainian leadership will help the Italian concern in every way with the implementation of its projects.

Energy-Saving Switch To Moscow Time Rejected

MM0102122395 Moscow IZVESTIYA in Russian 1 Feb 95 p 2

[Report by Yanina Sokolovskaya: "Prices Increase Sharply in Ukraine"]

[FBIS Translated Text] Kiev—The latest price rises are expected at the beginning of February. Electricity is the first to become dearer. By 400-900 percent for the population in the domestic consumer sector and by 10-20 percent for industry. The final figures are still being debated in ministerial offices.

On this occasion the price hike was precipitated by power industry workers, who declared that unless the state increased electricity tariffs, now cut by a factor of 26, the sector would suffocate from lack of money.

The brunt of the new prices will be borne by the rural and urban inhabitants. It has been decided to spare industrial production by increasing its electricity charges purely symbolically. But even an insignificant increase will fuel the price spiral. Almost all technologies in Ukraine are energy-intensive, therefore new tariffs will increase the cost of most goods produced in the country, especially food products.

The UKrainian population has once again started to get the price jitters: Soon subsidies on municipal services are to be abolished and housing rents will increase to unprecedented levels—running into millions.

From 1 February transport will be an average of 400 percent dearer. A ticket will cost 800,000 karbovantsy—14 times the minimum wage, which has not changed in Ukraine since the year before last.

Ukrainian inhabitants, accustomed to unpleasant surprises occurring on the first of every month, are yet again trying to defend themselves against snowballing prices by clearing stores of everything remaining at the "old prices." They very much regret that they are unable to hoard kilowatts.

Vilen Semenyuk, Ukrainian minister of power engineering and electrification, has proposed another option to them: To switch to Moscow Time, which is more tied to the sun than Kiev Time. The population will then be able to save their karbovantsy and the country will be able to save 2-2.5 million kilowatt-hours of electricity per year. But at the moment the Ukrainian "upper echelons" have no intention of agreeing to such a "politically ill-advised step."

Crimea 1994 Economic Development Reviewed

954F1135A Simferopol KRYMSKAYA PRAVDA in Russian 31 Jan 95 p 1

[Economic survey by I. Dyakov: "Debts Are Prohibitive"]

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[FBIS Translated Text] According to a report of the State Committee for Statistics of Crimea, the negligible increase in output in the fourth quarter of 1994 could not compensate for the decline that was allowed to occur in the first six months. On the whole, the results of the work of industry last year were disquieting.

Productivity declined 19 percent. The largest fall in production occurred in petrochemical, light, and glass industry, and in ferrous metallurgy. The biggest decline among the cities occurred in Dzhankoy, Feodosiya, Yevpatoriya, Kerch, and Alushta.

Approximately 76 percent of enterprises experienced a decline in output. Compared with the previous year, 19 percent of the tractor trailers, 40 of the industrial pipeline fittings, 86 percent of the centrifugal pumps, 19 percent of medical equipment, 80 percent of sulfuric acid, 86 percent of soda ash, and 93 percent of aniline dyes were produced. Yet almost twice as much mineral fertilizer was manufactured.

Under the conditions of the winding down of construction operations, there was a decline in the manufacture of the bulk of construction materials by the biggest contractor organizations. In relation to the previous year, here 92 percent of the cement, 65 percent of the wall materials, 52 percent of the precast ferroconcrete structures and parts, and 34 percent of the panels and other structures for large-panel housing construction were manufactured.

Many enterprises and organizations have been unable to overcome the oversights that were permitted in the preparations for the present winter or objective difficulties. As of 1 January of the new year, the main consumers of fuel had procured 88,300 tonnes of coal and 45,800 tonnes of fuel oil. This is less than the corresponding stocks of last year by 34.8 and 3.3 percent. The coal stocks that have been created will support enterprises' operation for 29 days, and of fuel oil, for 23 days. Fuel reserves are completely exhausted at plants of the Krymskiy Soda Water Plant, the Kerchenskiy, Kirovskiy, and Primorskiy construction materials plants and the Kerch Ship-Repair Plant, at the Kerch Seaport, and on many sovkhozes and kolkhozes.

The instability of financial policy and the flawed tax system exerted a negative influence on scientific and technological activity. There was a palpable decline in industrial enterprises' opportunities for investing funds in the retooling of production. Last year only one-fifth of the enterprises undertook its comprehensive mechanization and automation, and nine introduced new production engineering processes.

General transport is in crisis. In the year all forms thereof hauled 20 million tonnes of freight, which was 38.5 percent less than the level of the previous year. There was a decline in haulage by motor transport of 46.1 percent, and by railroad transport, of 33 percent. This is frequently explained by the fact that there is nothing to carry. The merchant seaports experienced a 25.1 percent reduction in the handling of cargo.

Communications enterprises carried 19 percent fewer long-distance and international telephone conversations. These services were too costly. Wired-radio outlets are being eliminated for this same reason. Their number in rural localities declined 12 percent.

Nonpayments and the failure to repay bank loans remain a most serious problem. This is fettering the activity of the state-run enterprises and the commercial structures even more. If the government has proclaimed its resolve to implement market reforms in the economy, it is essential to proceed consistently and single-mindedly toward the set goal. They should not be pursued at the expense of the further impoverishment of the populace, of course. We need, finally, to strive to ensure that it once again be profitable to increase output and the production of consumer goods. Society as a whole cannot live by buying and selling alone.

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Belarus

Lukashenka Satisfied With IMF Loan

LD0102093095 Moscow Voice of Russia World Service in English 0800 GMT 1 Feb 95

[FBIS Transcribed Text] President Alyaksandr Lukashenka has expressed satisfaction with the decision of the International Monetary Fund to support economic reforms in the republic. One hundred million dollars will be assigned for that purpose. In a television interview, President Lukashenka said the International Monetary Fund does not make any tough demands in connection with the credit. He stressed that the republic has its own program of reforms and will work actively to carry it out.

Poisonous Russian Missile Fuel Sold as Diesel

MK0102151395 Moscow MOSKOVSKIYE NOVOSTI in Russian No.7 29 Jan-5 Feb 95 (Signed to press 31 Jan 95) p 3

[Report by Larisa Sayenko under the "Scandal" rubric: "All That Has Been Left From Missile Power Is Poison"]

[FBIS Translated Text] An unusually strange smell was given off during the ignition of diesel fuel bought by a Molodechno state fur farm from the Istkom firm registered in the Moscow Oblast city of Odintsovo.

People who worked with the suspicious fuel started feeling sick. The mysterious syndrome came to the attention of specialists. During an examination by the Internal Affairs Ministry's civil defense service it turned out that under the guise of diesel fuel the firm sold samman [as published]—a poisonous component of missile fuel. Istkom bought fuel waste from missile bases on Belarusian territory for the purpose of recycling it, or so its contract said. It was "recycled" at $105 per tonne to a canning factory, a bakery, a motor transport station, collective and state- owned farms covering a number of Belarusian areas. It is known that the firm bought 735 tonnes of samman from missile bases. It could not yet be established how much of that was sold and burnt. The Internal Affairs Ministry is conducting an investigation.

"The criminal business has been stopped," Defense Minister Anatol Kastenka commented on the scandalous situation. "I have warned the Russian military leadership about the need for stricter control over the storage of missile components. Generally speaking, I am simply happy that in 1996 we will finally bid farewell to Russian missiles. To maintain and store them is too heavy a responsibility for the state."

Agreements With Latvia on Auto, Railroad Transport

WS0102153295 Minsk Radio Minsk Network in Belarusian 1300 GMT 1 Feb 95

[FBIS Translated Text] A meeting between Latvian and Belarusian delegations has been held in our capital. As a result, an agreement on international vehicle transportation has been signed, and documents on railroad transportation have been initialed [words indistinct].

Deputies Reject President's Changes to Parliament Law

WS0102114795 Minsk BELAPAN in English 1812 GMT 31 Jan 95

[FBIS Transcribed Text] As it was reported, on January 31, the Supreme Soviet debated again the draft law "On the Supreme Soviet." The parliament was faced with the choice: to accept the president's amendments or to ignore them. Eventually the MP's confirmed the approval of the former version of the draft law without any changes, 232 MP's voted for this, two thirds' majority was necessary. The draft law was submitted again to the president for signing, though this time the procedure is of a purely formal character as, according to the Provisional Regulations which were amended on January 30, the law is to come into force independently of the fact whether the president signs it or not.

However, the parliament intends to revert to the subject and introduce a number of amendments to the law "On the Supreme Soviet," first of all to its articles concerning deputy privileges. On January 31, the parliamentary factions of the Belarusian Popular Front and the Belarusian Social-Democratic Hramada spoke out in favor of approving the privileges stipulated by the law, but they proposed extending them only to the MP's of the new composition of the Supreme Soviet so that there will not be grounds to charge the present parliamentarians with immodesty.

Parliament Adoptes Law on Presidency

LD0102204495 Moscow INTERFAX in English 1900 GMT 1 Feb 95

[FBIS Transcribed Text] Minsk, Feb 1 (INTERFAX-WEST)—The Belarusian parliament adopted a law on the presidency today, recognizing the president as the Head of State and Executive Power.

The law stipulates that the president will head the Belarusian Security Council and be the commander-in-chief of the armed forces.

Under the law on the presidency, any Belarusian citizen not younger than 35 years old, with the right to vote and living in Belarus for at least 10 years can be elected president. The president is to be elected by a closed popular vote.

The president cannot be either a deputy of the Belarusian parliament or occupy other posts in state, public or other organizations or be involved in economic activities as an entrepreneur. The president will be elected for a five-year term. A person can be elected president for no more than two presidential terms.

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The law stipulates that the president can be dismissed by the parliament if he/she violates the Constitution or commits a crime and if two-thirds of parliamentarians vote for his/her impeachment.

In accordance with the law, the president cannot dismiss or suspend the parliament or other legally-elected bodies of state power.

Moldova

Russia To Increase Gas Transit Deliveries in 1995

AU0102173095 Chisinau INFOTAG in English 1930 GMT 30 Jan 95

[FBIS Transcribed Text] Chisinau INFOTAG, 30/1/1995—In 1995, Russian gas transit via Moldova will increase to 21.5 billion cubic metres, director general of the state Moldovagas concern, Mikhail Lesnik, said to INFOTAG.

Last year, the figure was 18 billion, and it is expected to reach 36 billion cubic metres by the year of 2000.

Lesnik has stressed that Moldova enjoys a considerable advantage from pumping the Russian gas via its territory, but refused to specify it, having only referred to a provision of the contract signed between Moldovagas and Gasprom, which stipulates keeping prices in secret.

Under the contract, the Moldovan Government shall have to revise internal gas tariffs, and, presumably, to lower them for certain consumer groups by 20-25 percent as soon as in February.

Russia To Accept Foodstuffs, Cash for Fuel Deliveries

AU0102134095 Chisinau BASAPRESS in English 1930 GMT 30 Jan 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 30/1/1995—The Moldovan-Russian Trade Agreement for 1995 to be signed in Moscow next days stipulates a total amount of interstate reciprocal deliveries of $65 million, government sources told BASA. According to the same sources, Moldova intends to procure from Russia 200,000 metric tons of gasoline, 400,000 metric tons of Diesel oil, 800,000 metric tons of fuel oil, 3.5 million cubic meters of natural gas if half of the cost of purchased energy resources is paid for with deliveries of goods. Chisinau proposes in exchange foodstuffs, refrigerating equipment, carpets, TV sets, cognac. The Russian side responded that for now it accepts only foodstuffs insisting on less sizable deliveries of goods as payment. It is expected that 2.8 million cubic meters of natural gas and 80,000 metric tons of gasoline will be delivered in exchange for Moldovan goods. For the rest Moldova will pay money plus customs duties, said government sources.

Tiraspol Opposes Admission to Council of Europe

AU0102153495 Chisinau INFOTAG in English 1930 GMT 31 Jan 95

[FBIS Transcribed Text] Chisinau INFOTAG, 31/1/1995—"It is too premature to raise the question of accepting Moldova to the Council of Europe," reads the official statement adopted today by the Parliament and Government of the self-styled Dniester Republic.

"Moldova's admission to the United Nations in 1992 not only failed to prevent, but only helped in Chisinau's unleashing an aggression against a part of its own territory, Dniester," the document reminds.

The official Tiraspol authorities are inclined to believe that Chisinau "fails to execute sovereignty over the country's entire territory," that "the Moldovan Parliament and Government were elected without the participation of a considerable portion of the country's population living on the eastern side of the Dniester, and they do not present the Dniester inhabitants' interests."

The statement indicates the unfinished negotiation process on settling the conflict, and points out that the talks were "many times delayed by Chisinau."

The Dniester Parliament and Government have once again suggested to Moldova to disarm and set up a demilitarized zone on the country's entire territory.

Civil Alliance To 'Reemerge' Before Local Elections

AU0102134295 Chisinau BASAPRESS in English 1930 GMT 30 Jan 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 30/1/1995—The Moldovan Civic Alliance (AC) will not participate in the April 16 local elections since it does not represent a political party, Boris Marian, editor-in-chief of the governmental newspaper NEZAVISIMAYA MOLDOVA and AC member, told BASA. He said that the AC could support a particular party but the AC leadership did not adopt a definite decision in this respect. Marian stated that the AC, created a year ago before the parliamentary elections, fulfilled one of its main objectives "by organizing the congress 'Our Home Republic of Moldova' thus strengthening Moldova's statehood and everything which is Moldovan." Marian said that during the parliamentary elections the AC supported "the centrist forces, Agrarian Democratic Party of Moldova-PDAM and Republican Party, which favor Moldova's statehood and oppose unification with Romania." He also said that the AC "is less active now, but it is likely that in the course of preparations for local elections AC will reemerge on the political stage."

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Kazakhstan

Premier Kazhegeldin Lauds Ties With Russia

MM0102144195 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jan 95 First Edition p 10

[Interview with Prime Minister Akezhan Magzhanovich Kazhegeldin by Aleksandr Shinkin; place and date not given: "West Takes 'Capital,' We Are Left With 'Manifesto'. Kazakhstani Prime Minister Akezhan Kazhegeldin Answers ROSSIYSKAYA GAZETA's Questions"]

[FBIS Translated Text] Akezhan Magzhanovich Kazhegeldin is 42. He has two higher degrees, one of them in economics. He is also a graduate of the first business school in Moscow. He has traveled to the United States on a secondment. He was director of a mining and enrichment combine and deputy head of the Semipalatinsk Oblast Administration. He headed the Union of Industrialists and Entrepreneurs. He became first vice premier of the republic in early 1994 and has been prime minister since October. He is married with two children.

Our conversation with him covered economics, politics, and the prospects for integration in the CIS countries.

[Shinkin] Akezhan Magzhanovich, what is the fundamental difference between the government cabinet you head and its predecessor?

[Kazhegeldin] I think that the difference is one small fact—we are in a hurry to implement reform. After all, where is the paradox? You will recall that people were shouting for reform in April 1985. Since then we have been talking about reform, but essentially not implementing it. We were scared of everything—either the people would not understand, or prices could not be raised, or the specifics of Soviet life meant that this and that could not be done.... But the people grew tired of our uncertainty. That is why we now have to make up for lost time and correct our mistakes.

[Shinkin] Is that why from the first day of your premiership you stated that the new government would be the "most unpopular" government? What was that—a sense of doom?

[Kazhegeldin] No, a sense of reality. Our main task is to curb inflation. Otherwise it will destroy the financial system, production, and the state itself. But solving this problem will require tough and unpopular measures. For instance, will the decision to deregulate bread prices make us more popular? It was a very hard step. After all, bread is not just a foodstuff in our country. But bread subsidies were consuming millions in budget funds, and this could not have continued indefinitely. Of course, we have cushioned the blow through quite a clear-cut compensation mechanism. On the other hand, we at least have a free hand in this area now. Bread has become a profitable commodity.

The government has already introduced a mechanism for recapitalization and bankruptcy. The first few dozen enterprises have been declared insolvent.

[Shinkin] Doesn't the recent decree to regulate prices for monopoly enterprises' output, work, and services run counter to this government policy?

[Kazhegeldin] Not at all, it is a link in the same chain. Because deregulated prices do not mean price-formation anarchy. We have finally compiled a register of monopolies, including enterprises in the fuel and energy complex, transportation, communications, and water supply. And we have placed their activities under state control. For instance, provisions on their expenditure have been carefully detailed. Henceforth monopolies will have to submit compulsory reports on them. This will make them less likely to jack up their prices. Moreover, excessive monopoly profits will be confiscated to the budget. And the formerly unsystematic way in which prices were increased will also be streamlined. The monopolies will be able to do this no more than once a quarter, after giving prior notice. The various limited partnerships at monopolies through which circulating capital had hitherto leaked out will be wound up. Incidentally, the results of the measures taken were not long in making themselves felt, and surges in prices have become less frequent.

[Shinkin] Akezhan Magzhanovich, Kazakhstan has tried since the very first days of its independence to find its own path of economic reform. Can it be said that the republic now has its own model for reform?

[Kazhegeldin] The laws of economics are universal, and they cannot be rewritten for any individual country. All "economic miracles" are made from two simple things—cheap labor and capital, which, unfortunately, is something that neither we nor Russia have. Consequently, the Kazakhstani model is not fundamentally different from the Russian model.

But our problem is that we are lagging behind Russia in the development of a property and capital market. And we need to catch up. This will, perhaps, make our task of reforming the economy easier—we have an example.

Russians cannot see where they are going—they are saying: No, this is wrong. Their impatience is understandable—there are loads of goods available, but they are all extremely expensive, and incomes are lagging behind what people need. But, like everywhere else in the world, we must fight not for cheap prices but for high incomes. The problem is not how much people spend, but how much they earn.

Maybe the whole problem is that Karl Marx did not carry his writing work through to a proper conclusion. He taught us how to build socialism, but he forgot to tell use how to emerge from that socialism. Or is the West to blame for everything once again? He kept "Capital" for himself and gave us the "Manifesto," which we are still unable to give up....

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[Shinkin] At any rate, as another German said, any theory fades in the face of practice. And this practice has already "pushed" you and the Supreme Council to increase bread prices. Parliament has accused the government of deception—it claims that the government should first have paid all the compensation and then deregulated prices. Won't your actions lead to the now-traditional confrontation between the executive and the legislature?

[Kazhegeldin] There was no deception. I insisted that the compensation and the bread price rise be carried out simultaneously. And the government immediately paid all its debts.

As for the Supreme Council, I am still hoping to work constructively with it. But I am hoping still more for constructive work from the Supreme Council itself.

[Shinkin] Doesn't that last phrase conceal your fears that the law introducing private land ownership in the country—which you are planning to submit to parliament—will be rejected?

[Kazhegeldin] There are, of course, a lot of opponents of private land ownership there. Their arguments are simple: "This is not a tradition among the people," or "the land will be squandered and bought up by foreigners".... But nobody can cite a single instance of anybody ever trying to smuggle a hectare of land through customs.

Incidentally, it seems as though our society is ready for such a fundamental solution. A recent opinion poll carried out by the Giller [name as transliterated] Institute in Almaty showed that only 20.8 percent of those polled are in favor of retaining the constitutional provision under which land should remain exclusively state property. While 74.9 percent unambiguously prefer the existence of both state and private forms of land use in the republic. As you can see, the chances of the parliament doing constructive work are substantial.

[Shinkin] Kazakhstani President Nazarbayev, as is well known, is making a great effort to set up a Eurasian union. Does this idea correspond in any way to the practice of the government?

[Kazhegeldin] Directly. Today it is as if we have awoken and realized that we are not actually needed in that world where we had all headed, confident that we were expected with open arms. "Market romanticism" has dissipated. We are now thinking more of how to restore old ties or the market area which we used to have. And my government's task is to link our economy as quickly and as firmly as possible to the Russian economy—with which we were once 90-percent integrated.

We have virtually solved the difficult problem of Baykonur. Agreement has been reached on the joint extraction of oil from the Caspian Shelf. The Central Bank of Russia, and the National Bank of Kazakhstan have prepared an agreement on providing national regulations [natsionalnyy rezhim] for subsidiaries of Russian and Kazakhstani banks on the two states' territory. We are essentially creating multinational companies. In early December last year Kazakhstan's Ministry of the Oil and Gas Industry and Russia's "Gazprom" Joint-Stock Company signed an agreement on joint operations in the exploitation and development of the Karachaganak Field. This is one of the biggest gas fields in the world.

We once tried to do this without Russia, with the help of Western partners. But I believe that if we are responsible for the future of our states and for future generations, then we have to be together. We might be short of money, but we have something else—the Kazakhs have raw material reserves, and the Russians have proven technology and highly qualified cadres, who are already working in our fields, incidentally.

I was exultant when I signed this agreement—we were back together. And together we have a chance of "shaking up" the Western market.

[Shinkin] I can't help thinking, Akezhan Magzhanovich, that you're talking about strengthening cooperation with Russia, but, on the other hand, the Russian-speaking population is leaving Kazakhstan. Observers are noting a deterioration in interethnic relations. Isn't that a paradox?

[Kazhegeldin] I don't think that interethnic relations in Kazakhstan have deteriorated. We have done and are doing everything to prevent that. An agreement on the legal status of our citizens living in either republic was recently initialed, and a document was signed on simplifying the procedure for obtaining citizenship. I believe that this too is helping to make interethnic relations easier. Although we, like you, have our national patriots and extremists....

But you are right, there has been an exodus of Russians. As a rule, they are highly qualified specialists. This, for me, is a far more frightening phenomenon. The basic reason for the exodus is the difference in income levels. We now seem to have started catching others up, we have moved into second place in the CIS in terms of the foreign-currency component of incomes. But we are still failing to pay salaries and pensions in good time. It is an old and well-known shortcoming—defaulting.

No appeals along the lines of: "Stay, the motherland loves you, it needs you" can help now, they are simply not working. After all, it is not just Russians who are leaving. Some 2 percent of the migrants are Kazakhs. They are leaving for a better life, just as people are now leaving Russia for the West. But what Russia can withstand could be a tragedy for us.

[Shinkin] There used to be a great deal of talk about a so-called "Central Asian CIS," including Uzbekistan,

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Kyrgyzstan, Turkmenistan, and Tajikistan, as well as Kazakhstan. Has this union of Central Asian republics been effective?

[Kazhegeldin] I think this union emerged from a desire to do our own thing. Out of all the agreements signed, only one is "working"—goods can cross our borders freely. The others have continued to be just intentions. The reason is simple. We are at different levels of economic reform. Turkmenistan, for instance, introduced its own currency before anyone else. While Tajikistan has remained in the ruble zone. Uzbekistan has not been in any rush to reform at all. Consequently, in our small union we are not working the way we would like or the way we had planned, but in the old way—exchanging goods for goods.

[Shinkin] What then, in your view, is the outlook for the "greater" CIS? After all, its situation is the same.

[Kazhegeldin] I am optimistic about our Commonwealth. If we want to set up a single market area and then, on that basis, something "more," we will have to meet each other halfway and share our sovereignty. Three years ago this subject was closed, but politicians have now started to sober up. The problems they have encountered have forced them to give some powers to the Interstate Economic Committee that has been set up. And at the last Heads of Government Council meeting we had no fundamental differences on this question. Basically we discussed just one problem—how to make the Interstate Economic Committee work.

In the future the CIS will be able to play an entirely independent and noticeable role in the world market.

Minister Welcomes Forces' Merger With Russia

LD0102174095 Moscow INTERFAX in English 1410 GMT 1 Feb 95

[FBIS Transcribed Text] Almaty, Feb 1 (INTERFAX)—Joint Russian-Kazakh armed forces will not take after the Soviet Army, Kazakh deputy defense minister and chief of general staff Alibek Kasymov told Interfax Wednesday [1 February].

The full merger of their armed forces will deprive both Russia and Kazakhstan of part of their sovereignty, Kasymov said.

The Russian and Kazakh armed forces will be brought closer together "along the lines of the Warsaw Pact and the North Atlantic Alliance" or on some other basis. A joint Russian-Kazakh army will aim to ensure the security of both Russia and Kazakhstan, Kasymov said.

According to Kasymov, a new approach to the training of draftees and army officers and to joint combat training programs as well as logistics will, "naturally, be encouraged."

More nations will be welcome to join the Russian-Kazakh military union if they agree to meet certain commitments.

Presidents Yeltsin and Nazarbayev signed a declaration on expanded Russian-Kazakh cooperation on January 20 in Moscow. The declaration calls, among other things, for the creation of a joint army in 1995. The joint army is to be built on the principles of joint planning, logistics and preparation and commitment to action of the Russian and Kazakh troops.

At the Commonwealth summit of February 10 the Russian and Kazakh Presidents will be expected to sign an agreement on joint efforts for the protection of the national borders which puts the Russian and Kazakh border guards under joint command.

Accident at Aktau Nuclear Plant Occurred 23 Dec 1994

LD0202110295 Moscow ITAR-TASS in English 1051 GMT 2 Feb 95

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Transcribed Text] Moscow February 2 TASS—The Central Asian Republic of Kazakhstan has been concealing for over a month an accident which occurred at the nuclear reactor of the Mangistauskiy power plant.

TASS learned on Thursday at the Russian Atomic Energy Ministry that the emergency situation took place there yet on December 23, 1994.

However, it was revealed to the public by the local "KARAVAN-BLITS" newspaper only today.

It said that a fire had nearly broken out during a test trial of the main circulating pump of the reactor when a pipe cracked and oil began to come out. "The real threat of a fire appeared, but firemen succeeded to avert it", the newspaper said adding that the personnel of the plant quickly eliminated the accident.

The plant is situated on the Mangistau Peninsula, earlier called Mangyshlak, on the Caspian Sea. There used to be a low-capacity heat-generating plant, but in 1962 the fast-neutron BM-350 reactor was commissioned there.

The plant is not related to the nuclear power plant near the city of Shevchenko on the same peninsula.

Government's Performance, Plans Reviewed

LD0102172695

[FBIS Editorial Report] Almaty YEGEMEN KAZAKHSTAN in Kazakh on 26 January publishes a report on the Kazakh Government. Since it started work in October 1994 the current Kazakh Government has presided over a period of economic recovery, in a review of the cabinet's first 100 days in office.

The September-November period saw a growth in industrial output, with a rise of 0.3 percent in September, 2.9 percent in October, 1.8 percent in November, and 1.1

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percent in December. The volume of goods produced over this period was worth 5.7 billion tenge.

In December the inflation rate stood at 10 percent, compared with 45.9 percent in July, and 20.1 percent in October. Wages rose by 25 percent in the final four months of 1994. The Kazakh National Bank's annual interest rate fell from 300 to 230 percent over the year.

The new government, which began work on 14 October, took as its starting point the relative stabilization of the economy, which took place in mid-1994. It set itself the goals of halting the slump in production, attracting foreign loans and investments, reducing inflation, drafting economic reform legislation, pursuing strong fiscal policies, freeing prices (but regulating those of monopolies), liberalizing foreign economic relations, reforming the manufacturing sector, preventing bankruptcies, speeding the denationalization and privatization processes in agriculture, and upholding welfare provision.

The first step the government took was freeing bread prices, the initial stage in a process of complete liberalization of prices. From 7 November the state oil products company and Kazakh refineries were also free to set their own prices, and from 20 December extraction enterprises were allowed to sell oil and gas condensate at prices of their own choosing.

Prime Minister Akezhan Kazhegeldin's government has taken steps to regulate the currency market, including the abolition of transactions conducted in foreign currency from 16 January 1995. This move was in line with a presidential edict, and President Nursultan Nazarbayev has also ordered the establishment of strict controls over the use of foreign credits and investments.

In the social sector, the government has increased wages for state-sector employees, teachers, and medical workers by an average 32 percent. It has earmarked 259 million tenge for job creation schemes, and it has allocated 17.1 million tenge to compensate the victims of Soviet nuclear testing at Semipalatinsk and people who have suffered from the ecological problems affecting the Aral Sea. Yet it recognizes that these measures are insufficient, and hopes to do more in 1995.

On the economy, the government's plans for 1995 include improving the state of the country's major enterprises, focusing on the way foreign credit is used, and repaying arrears in wages and pensions. Also, it is currently drafting plans to demonopolize the oil and gas industry and other monopolies.

Kyrgyzstan

Akayev Returns From World Economic Forum in Davos

LD0102141895 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0000 GMT 1 Feb 95

[FBIS Translated Text] The annual World Economic Forum has ended in Davos, Switzerland. The Kyrgyz delegation and President Askar Akayev took part in that forum. Questions about the world economical development were discussed in Davos. Leaders of government and large international financial institutes and businessmen took part. The finance minister and general director of the State Committee for Investment were in the Kyrgyz delegation. Yesterday evening, Akayev returned to Bishkek. Prime Minister Apas Zhumagulov and International Affairs Minister Madalbek Moldoshev met him at the airport.

Akayev Signs Decree on Income Taxes 16 Jan

LD0202093795 Osh OSH SADOSI in Uzbek 21 Jan 95 p 1

[Decree by President Askar Akayev "On Measures To Improve the Levying of Taxes on the Incomes of Natural Persons"; signed in Bishkek on 16 January]

[FBIS Translated Text] With a view to improving the system of levying taxes on people's incomes and considering the utmost importance of securing social justice in the payment of taxes, and in implementation of the decree by the president of the Kyrgyz Republic of 6 September 1994 "On Measures To Change the Declaration of Incomes by People," I decree:

1. The effect of the 2d, 9th and 13th sections of the law "On Taxes Levied on People's Incomes," which provided for the taxation of the incomes of natural persons in the Republic of Kyrgyzstan, are terminated from 1 February 1995.

2. The Government of the Republic of Kyrgyzstan is:

—To establish a new procedure for levying taxes on the incomes of natural persons, which is related to changes in the declaration of incomes and which also provides for changes to rates, privileges, and the mechanism for collecting taxes;

—To prepare a draft law on the taxation of incomes of natural persons by 1 February 1995, for subsequent submission to the Supreme Council of the Kyrgyz Republic;

—To bring its own decisions into line with this decree.

[Signed] Askar Akayev, president of the Kyrgyz Republic.

[Dated] Government House. Bishkek. 16 January 1995

State Farmers May be Paid To Privatize

LD0102181695 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 1 Feb 95

[FBIS Translated Text] The Kyrgyz Ministry of Agriculture and Food has come up with a new incentive to advance agrarian reform. Farms have been promised that their debts will be partially written off if they reorganize farms and distribute plots of land to the future private farmers before 1 June 1995. This should

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help entice state and collective farms out of their defensive stance against private farms.

The ministry has prepared a draft resolution on this. State farms that share their land with individuals will be exempted from 50 percent of their debts to the government. Collective farms that reorganize before the set date will be freed from 25 percent of their debts. The rest of the debts will be imposed on the private farmers, but they will be postponed for 10 years. After the set term expires the resolution will become null and void.

The document has been submitted for consideration by the government, which will decide how realistic the measures that have been proposed are.

Tajikistan

Electoral Commission Chairman Meets With OSCE Officials

LD0102144695 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 1 Feb 95

[FBIS Translated Text] Yesterday, Kholmurod Sharipov, chairman of the Central Electoral and Referendum Commission, met Gancho Ganchev, head of the mission of the Organization of Security and Cooperation in Europe in Tajikistan, and Richard (Smartsen), the OSCE official responsible for the ties with the Tajik parliament.

An exchange of opinion took place at the meeting on the issues relating to the forthcoming elections to the Supreme Assembly, and to the regional, town, and district representative bodies.

Sharipov informed the guests of the nomination process, and the registration of the candidates to the post of people's deputy in all the levels of the representative bodies.

The necessity of ensuring the democratic character of the forthcoming elections was particular stressed at the meeting. An attention was paid to the participation of the local bodies of the state power in holding the elections. Sharipov confirmed that the elections will be held on the time set by the parliament.

The meeting was held in an atmosphere of mutual understanding.

Russian Helicopters Deliver Food to Badakhshan

LD0102130695 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 1 Feb 95

[FBIS Translated Text] Yesterday four military helicopters belonging to the Russian Border Troops Command Group in Tajikistan, delivered foodstuffs to Vanj district of Gornyy Badakhshan Autonomous Region.

The foodstuffs were sent by the Tajik Government and are designed for the workers of this region. On the way back the helicopters took to Dushanbe Tajik refugees, who temporarily lived in this region. The helicopters took 120 refugees to their permanent places of residence.

It should be mentioned that so far there are more than 1,000 refugees left in this region. These refugees are permanent residents of Dushanbe and Khatlon oblast. The local government of the region decided that refugees will be sent from Khorog to Dushanbe by helicopters. Priority will be given to refugees, that means that 60 percent of the passengers should be refugees.

Aga Khan: Gorno-Badakhshan Will Back Russian Border Guards

LD0102174495 Moscow ITAR-TASS in English 1500 GMT 1 Feb 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow February 1 TASS—The peacekeeping efforts of Russian border guards in Tajikistan will from now on be backed by local residents of the Gorno-Badakhshan province, the Aga Khan, head of world Ismailis, told director of Russia's Federal Border Service Andrey Nikolayev.

In an exclusive interview with TASS on Wednesday [1 February], Nikolayev described the meeting as a constructive dialogue held in the atmosphere of mutual understanding. The parties exhanged opinions on issues of mutual concern, largely on the current situation at the Tajik-Afghan border.

The Aga Khan and Nikolayev also discussed the social and political situation in Tajikistan on the whole and prospects for its further development in the Gorno-Badakhshan province in particular, where Tajik Ismailis live. The parties agreed that the situation in the Central Asian republic could be stabilized and the pressing issues could be solved by peaceful means solely.

The Federal Border Service highly praised the leader of Muslim Ismailis for his determination to assist in settling the inter-Tajik crisis. He expressed hope that the Aga Khan's influence and authority would help considerably in improving the situation in the region and at the Tajik-Afghan border.

Nikolayev stressed that certain leaders of the Tajik irreconcilable armed opposition were seeking to defeat the attempts to stabilize the situation at the border, staging actions against Russian border guards. Regretfully, these actions are carried out with assistance from extremist-minded local residents, living both in Tajikistan and Afghanistan, the Russian border service chief said. This results in casualties and protracts the conflict, he added.

"Our desire to stabilize the situation at the Tajik-Afghan border by peaceful means met understanding and approval by the leader of Muslim Ismailis. The Aga Khan praised Russian border guards for their efforts in protecting the Tajik-Afghan border and pledged that his

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foundation would closely and actively cooperate with Russia's Federal Border Service with a view to establish peace in Tajikistan", Nikolayev emphasised.

Dushanbe Ready To Extend Cease-Fire on Border

LD0102184995 Moscow INTERFAX in English 1618 GMT 1 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Tajik government is ready to extend the agreement on temporary ceasefire on the Tajik-Afghan border and in Tajikistan "for any term and without any further conditions," Tajik President Emomali Rakhmanov told UN Secretary General Butrus Butrus-Ghali in his message.

Rakhmanov said the Tajik leaders were ready to do their best in order to continue inter-Tajik talks.

However, Commander of the Joint Peacemaking Forces in Tajikistan, Colonel-General Valeriy Patrikeyev said that the majority of Tajik opposition field commanders counted on resolving the conflict in Tajikistan by force. He told Interfax today that Tajik opposition fighters were gathering near the Tajik-Afghan border lying via Gorno Badakhshan (an autonomous region in West Tajikistan).

Patrikeyev said that Tajik opposition fighters had recently been regularly trying to get from Afghanistan to Tajikistan in small armed groups. He added that opposition militants were often subjecting Russian border guards to fire and launching other provocations on this section of the Tajik border.

He said that Russian border guards had been attacked by shooters on January 30 on a section of the Third Border Post of the Ishkashim Border Guards Regiment. Three border guards were wounded as a result.

Patrikeyev said that the total number of Tajik armed opposition fighters staying in Afghanistan along the Tajik border was a maximum of 2500 people. He said the number of potential enemies in Gorno Badakhshan was approximately the same.

He said that the so-called Pamir self-defense units could be a reserve of the armed opposition in Gorno Badakhshan. He added that active partisan war could begin near the Tajik border in spring when snow melted in the mountains. IF Note: Gorno Badakhshan residents tried to seize arms from Russian border guards of the Murgab Regiment (Gorno Badakhshan) last Monday in the afternoon. The Russian Federal Border Guards Service told Interfax on Tuesday that a group of Murgab residents of up to 50 people had gathered near the Murgab Border Guards Regiment threatening border guards and trying to attack them in order to seize armaments. The same source said that the incident had been settled. Three organizers of the incident, former servicemen of the Murgab Border Guards Regiment dismissed for discrediting their military rank were detained.

IMF Mission on Introduction of New Currency

LD0102175695 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 1 Feb 95

[FBIS Translated Text] An International Monetary Fund mission is currently in Tajikistan. Narzullo Habibullayev, the head of the budget department at the Ministry of Finance reported that its main aim is to give the assistance needed to introduce the national currency and study the socioeconomic situation.

The experts will give their assessments of the market reforms and the state of the country's taxation, monetary, and investment policies and foreign economic activity.

The Government of Tajikistan will use the recommendations made by this influential international finance organization when it develops the mechanism for introducing the national currency. The IMF board will present a report on the results of the study, and this will also define the prospects for and forms of cooperation with our country.

Turkmenistan

Agreement to Terms for Gas Supplies to Georgia

LD3001132295 Ashgabat TURKMEN PRESS in Russian 1049 GMT 30 Jan 95

[FBIS Translated Text] Georgia has followed Ukraine's example and reformed its debt for Turkmen gas into a state credit.

Turkmenistan has reformed the Georgian debt for the gas supplied in 1993-1994 into a state credit. A TURKMEN PRESS correspondent was told this by the deputy prime minister, the Turkmen oil and gas minister, Khekim Ishanov. According to him, the amount of credit is over 400 million U.S. dollars.

Georgia is the second state among the consumer-states of Turkmen gas which has signed an agreement on the reconstruction of its debt. As is known, Ukraine was granted a state credit of 713 million dollars (the debt for 1993) in November last year. In both cases the term of credit is seven years of payments, beginning from the first quarter of 1997, at a rate of one seventh annually.

In accordance with the contract on gas supplies in 1995, Turkmenistan is to ship to Georgia 1.56 billion cubic meters of natural fuel. And the price has also been fixed—80 dollars per thousand cubic meters.

High-Voltage Power Line Cuts Dependence on Uzbekistan

LD3101160695 Ashgabat TURKMENISTAN in Turkmen 19 Jan 95 p 1

[FBIS Translated Text] A new high-voltage power line has been put into operation between Darganata-Demirgazyk and northern Balguyi [in north-eastern

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Turkmenistan]. This 75-km-long power line was laid through the sand dunes in short time by the workforce of the Fourth Mechanized Unit at the Turkmenelektroset Trust.

It is hard to overstate the significance of the new power supply line: it makes it possible to link the Gazodzhak industrial zone into the entire Turkmen power network and to unify the powerful industrial area in the north of Lebap region. In this part of the Karakum desert there are a lot of industries related to the gas-extracting industry, which thus have a high demand for electricity.

Before the new power line was put into operation, this area used electricity delivered at high prices from neighboring Uzbekistan. There were frequent interruptions in the electricity supply.

In the near future the whole northern region of Turkmenistan will be permanently supplied with its own electricity, but for the moment the necessary energy comes from neighboring countries. In the near future the region will be supplied with energy from the new Seydi-Tashauz and Nayip-Tashauz lines, as well as power from the energy-producing units now under construction in Seydi city. Here in Seydi an electricity substation with a 500 kilovolt capacity—the most powerful one in the country—is being built at great speed. Activation of the second generating unit at the Seydi power station will make it possible to double the volumes of power production and supply. Generators, turbines, and other equipment for the new unit are now being assembled with great speed.

Turkmen Power Engineering, Industry Ministry Formed

LD0202103095 Ashgabat TURKMENSKAYA ISKRA in Russian 27 Jan 95 p1

[FBIS Summary] By presidential decree signed on 26 January, a Turkmen Ministry of Power Engineering and Industry has been created "in order to raise the effectiveness of state management of the energy complex and industrial enterprises."

A second decree, signed the same day, appoints Saparmyrat Nuryyev as the new minister of power engineering and industry.

Uzbekistan

Food Rationing Revvived; Tashkent Mayor Comments

LD0102141495 Moscow INTERFAX in English 1125 GMT 1 Feb 95

[FBIS Transcribed Text] Tashkent, Feb 1 (INTERFAX)—On February 1 Uzbekistan revived food rationing.

The cabinet cancelled the rationing system that was in force for four years on January 1. But on January 25 the mayor of Tashkent Kazym Tulyaganov told the City Council: "We proved to be unprepared to provide the population with a constant supply of foodstuffs." According to him, stores get only 62% of the necessary supplies.

From now on, one person will be able to buy at a fixed price two kilos of flour, 500 grams of vegetable oil, 800 grams of sugar and half a lump of soap a month.

Last Seven MP's Elected to Supreme Council

LD3101175495 Tashkent KHALQ SOZI in Uzbek 28 Jan 95 p 1

["Resolution of the Central Electoral Commission on elections to the Supreme Assembly of the Republic of Uzbekistan on registering deputies of the Supreme Assembly of the Republic of Uzbekistan"]

[FBIS Translated Text] In line with Articles 11, 44, and 46 of the Law on Elections to the Supreme Assembly of the Republic of Uzbekistan the Central Electoral Commission resolves:

On the basis of the protocol documents submitted by constituency election commissions on the repeat elections held on 22 January 1995, the following candidates, nominated earlier as Supreme Assembly deputies by political parties and representative bodies of authority, are to be registered:

Key to table:
I —Number
ii—Candidate's name
iii—Date of birth
iv—Party membership
v —Current post
vi—Place of residence
vii—Number and name of constituency
PDPU—People's Democratic Party of Uzbekistan
HPP —Homeland Progress Party]

[i]	[ii]	[iii]	[iv]	[v]	[vi]	[vii]
1.	Mardon Altiyev, nominated by PDPU	1952	PDPU	Head of Karakulskiy District Education Department	Karakulskiy District	Karakul 64
2.	Abdibek Ametov, nominated by Supreme Council of the Republic of Karakalpakstan	1946	n/a	Mayor of Nukus	Nukus	Nukus 237
3.	Hasan Chotboyevich Boriyev, nominated by HPP	1948	HPP	Professor at Tashkent State Farming University	Tashkent	Qumqorghon 144

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[i]	[ii]	[iii]	[iv]	[v]	[vi]	[vii]
4.	Ibrohimjon Abduvohidovich Rahmonov, nominated by Fergana Region Council of People's Deputies	1961	n/a	Director of School No/ 51 District named after Keldiyev	Rishtanskiy	Rishtan 197
5.	Khusnaddin Hamidov, nominated by HPP	1935	HPP	Head of a unit at the Institute of Language and Literature of Karakalpak Division of Uzbekistan's Academy of Sciences	Nukus	Universitet 238
6.	Boritosh Aminova Shodiyeva, nominated by PDPU	1955	PDPU	Chairman of Surkhandarya Region Women's Committee	Termez	Temiryol 142
7.	Jumaqul Rozimurodovich Qurbonov, nominated by Surkhandarya Region Council of People's Deputies	1958	n/a	General Director of Surkhandarya Region Trade-Industrial Association Istliqlol	Termez	Uzun 150

Tashkent city, 27 January 1995

Q. Ahmedov, chairman of the Central Election Committee; A. Anorqulov, secretary of the Central Election Commission.

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Armenia

Joint News Conference Reviews Karabakh Trip

NC0102162495 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0953 GMT 1 Feb 95

[FBIS Transcribed Text] Stepanakert ("AZG" daily), 02/01/95—Respective representatives of CSCE Minsk group co-chairmen Eliasson and Lozinskiy, Anders Bjorner and Vladimir Kazimirov, hold first joint press conference, dedicated to the results CSCE delegation's visit to the Republic of Mountainous Karabakh.

Responding to the questions of journalists Vladimir Kazimirov said that based on the results of the Budapest assembly, CSCE Minsk group co-chairmen developed a project concerning the efforts of the mediators, which has been presented to leaders of Mountainous Karabakh, Armenia and Azerbaijan. In addition to this, formation of a basis, necessary for signing the grand political agreement, has been finished. Kazimirov said that mediators are now working over a new initiative for strengthening the cease-fire regime.

Kazimirov said that, in principle, the sides in conflict are ready to discuss the proposals of mediators. They only need to organize the document properly, so that the interests of all sides be equally expressed.

Questioned about main contradictions between the mediators and the sides in conflict, Mr. Bjorner said "I believe we know these problems, but unfortunately, they still remain unsolved so far. First of all, this concerns future legal status of Mountainous Karabakh. Second is the future of the Lachin corridor and refugees. Then, in what way, where and when will be the troops driven apart. These are the most important unresolved problems. Concerning the relations between mediators, I believe there are no contradictions. The mediators simply make proposals in order to help the sides in conflict. I am sure, our joint visit will speed up the peace course to certain extent though it would be wrong to say we found solutions to all problems in question. The most important would be for the sides to be willing mutual concessions. The mediators will do their best to facilitate the implementation of their will".

Concerning stationing CSCE [Organization for Security and Cooperation in Europe] security forces in the region Vladimir Kazimirov said that a planning group, headed by General Hake Vilen, and created based on the decisions of the Budapest assembly, works in this direction. The group should present recommendations concerning stationing of troops. According to Kazimirov, the group will finally be completed by mid-February. It will include 30-40 qualified specialists, including several generals who have experience in various peace-making operations. The Budapest assembly decided that participation of any particular country in the security troops depends on consensus of the sides in conflict.

Anders Bjorner said that leaders of Mountainous Karabakh assured members of the delegation about their readiness to keep the cease-fire. He said that he was assured similarly in Baku and Yerevan. Mr. Bjorner also expressed the hope that it will be possible soon to send CSCE "field representatives" to the conflict zone, to help in strengthening the cease-fire regime. Vladimir Kazimirov added that besides "field representatives", international observer groups, and then peace-making troops will be stationed. Though he noted that "this will neither take place today, neither tomorrow, it will take some time". Kazimirov believes that measures should be taken during this period, to preserve peace. Therefore, direct contacts between the sides in conflict are very important, they may help in resolving numerous problems.

'Leading' Parties of Georgia, Armenia Sign Agreement

NC0102192995 Yerevan SNARK in English 1632 GMT 1 Feb 95

[FBIS Transcribed Text] Yerevan February 1 (SNARK)—Today leaders of Armenian National [Pannational] Movement (ANM) and "Union of Citizens of Georgia" have signed an agreement on cooperation. During the meeting with reporters Ter Husik Lazaryan and Zurab Zhvania [name as received] stressed the necessity of establishment contacts between close by ideology parties with aim to use their opportunities for the development of inter-governmental mutually beneficial Armenian-Georgian relations.

The agreement stipulates experience and information exchange in various spheres, coordination of international activity of mutual concern, organizing consultations in the matter of economic reforms. The leaders spoke for strengthening of those forces in Georgia and Armenia, supporting stability in both states.

Deputy Prime Minister Assesses Russian Credit

LD0102130295 Moscow ITAR-TASS in English 1119 GMT 1 Feb 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan February 1 TASS—"The Armenian-Russian relations are continuing to develop dynamically in spite of the difficulties of the transitional period. This is borne out by the commercial-economic agreement concluded by the two countries for the current year," Armenian Vice-Premier Vigen Chitechyan told the parliamentary newspaper "THE ARMENIAN REPUBLIC", which published today his interview, devoted to the Russian Duma's ratification of an agreement to grant Armenia a credit of 110 billion roubles.

The vice-premier said that sixty billions from this sum would be used to restart the Armenian nuclear power plant. Russian specialised organisations are already

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delivering the materials and equipment needed for this purpose. Chitechyan also noted the importance of the credit for the restoration of the regions of armenia, ravaged by the 1988 earthquake.

According to the vice-premier, Russia's ratification of the agreement shows that the Russian authorities attach great importance to relations with Armenia both from the historical point of view and from the viewpoint of future prospects, that the place global strategic goals above current, temporary tasks.

Azerbaijan

OSCE Delegation Returns to Baku, Meets Aliyev

NC0102203495 Baku Radio Baku Network in Azeri 1700 GMT 1 Feb 95

[FBIS Translated Text] As reported earlier, a OSCE diplomatic delegation has visited Azerbaijan to hold talks on the deployment of the OSCE peacekeeping forces for the solution of the Karabakh dispute. Later, the delegation left for Yerevan and held similar talks with the Armenian officials.

The delegation members returned from Yerevan and were received by President Geydar Aliyev today. Aliyev recalled that his talks in Switzerland a few days ago focused only on economic issues and said that military and political issues will be discussed today.

The OSCE delegation returned from Yerevan with several concrete results. Vladimir Kazimirov, who is one of the members of the delegation, informed Aliyev as follows: We outlined the talks and proposals we discussed with you to the officials in Yerevan. President Levon Ter-Petrosyan favors the extension of the cease-fire agreement. In fact, he supports the concept of a permanent cease-fire between the two sides. That is a favorable situation. We discussed concrete views and proposals for the realization of the resolution that was adopted in Budapest. Meanwhile, matters related to Lachin and Shusha also were discussed. Armenia agrees to heed the cease-fire until a final political agreement is reached. We have assured the Armenian officials that Azerbaijan will definitely remain committed to the cease-fire agreement. The Armenian side attaches importance to the solution of the dispute through talks. Meanwhile, it has called for talks on the situation of the hostages, prisoners of war, and the sick and wounded people. Viewing the matter as a humanitarian and not political issue, the Armenian officials have said that social organizations must cooperate with the government establishments to resolve the problems. Many social organizations can contribute toward the effort that will be made to resolve the problems on the two sides. They must function together with the government organs and not on their behalf.

President Aliyev welcomed the steps taken to realize the resolution that was adopted in Budapest. He also welcomed President Ter-Petrosyan's support for the maintenance of the cease-fire agreement. He said that he is confident that the two sides will be committed to the cease-fire agreement until a political agreement is reached and noted that maintaining the effort to conclude a political agreement is important. Referring to the exchange of prisoners and hostages, Aliyev said that the Armenian side treats them mercilessly. He said: Armenia holds more than 900 Azerbaijani citizens. However, only 16 Armenians are held in Azerbaijan. Exchanging them with an equal number of Azerbaijani citizens will be unfair. The process must be fair and we must heed the norms of justice. That, however, can be achieved through mutual confidence.

Gulizade, state adviser on foreign policy; Nureddin Sadikov, state adviser on military affairs; and Foreign Minister Gasan Gasanov attended the meeting.

OSCE Representatives on Sanctions

LD0102140895 Moscow INTERFAX in English 1125 GMT 1 Feb 95

[FBIS Transcribed Text] Baku, Feb 1 (INTERFAX)—On Wednesday [1 February] Anders Bjorner (Sweden) and Vladimir Kazimirov (Russia), representatives of the co-chairmen of the OSCE Minsk conference on Nagorno-Karabakh who arrived in Baku, continued negotiations on the Nagorno-Karabakh settlement. Our Interfax correspondent reports that they are scheduled to meet with Azerbaijani President Geydar Aliyev.

Before Baku, Bjorner and Kazimirov held negotiations in Stepanakert and Yerevan.

In the course of a press conference in Yerevan Tuesday evening, ambassador-at-large and presidential envoy Kazimirov declared that strengthening the ceasefire regime, which was in force from May 1994, should be the major issue in settling the Nagorno-Karabakh conflict. In his opinion, "deployment of CSCE supervisors and international peacekeeping forces can give a definite impetus to achieving a stable truce."

Responding to Interfax concerning possible sanctions with respect to parties which refused to follow the OSCE'S recommendations, Kazimirov said that the OSCE operations do not provide for any compelling measures. "Sanctions are an exclusive prerogative of the UN Security Council," the diplomat stressed.

Bjorner reported at the press conference that next week Laslo Kovac, head of the Hungarian Foreign Ministry and acting OSCE chairman, will send letters to members of this organization in order to ensure their readiness to participate in the peacemaking operation in Nagorno-Karabakh. "Several countries have already expressed this readiness," the Swedish diplomat said.

The Budapest summit of the OSCE held December 5-6, 1994 adopted the decision on appointing two co-chairmen of the OSCE Minsk conference one of them representing Russia "considering its role in the Nagorno-Karabakh settlement." Russian Foreign Minister Andrei

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Kozyrev proposed to appoint Valentin Lozinsky, who has worked as first deputy of the Russian representative in the United Nations, to the post of co-chairman from Russia. The Swedish diplomat Yan Eliasson has become the second co-chairman.

Talks on Hostages End in Failure

NC0102200495 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 1 Feb 95

[FBIS Translated Text] Many families have been waiting for the return of their dear ones since the start of the war imposed on us. Thousands of our compatriots have been taken prisoner and hostage. There exists no detailed information on most of the missing persons. What is the Republic's State Commission on Prisoners and Missing Citizens discussing with the international organizations on this issue? Our correspondent reports:

[Begin off-screen reporter recording] The meeting held by Namik Abbasov, National Security Minister and the chairman of the State Commission on Prisoners, Missing Persons, and Hostages, with the Chairman of OSCE Minsk Group Anders Bjorner and the Russian president's plenipotentiary representative on the Karabakh problem Vladimir Kazimirov had a single aim: To speedily return the innocent people to their families, no matter how. However, certain conditions have to be heeded on such vital issues. The clashing views of late and the failure to reach an agreement in that meeting with the delegation was due to the failure of one of the sides to maintain an agreed upon approach on the said conditions.

Namik Abbasov stressed the need for the commission to base its work solely on the Geneva Convention and international documents. However, the opposing side's evasion from the talks in many cases, and its attempts to raise the issue of the return of the people being kept not only in Karabakh but also in Armenia are regarded as an attempt to undermine these international requirements.

As regards the reality, at present 4,675 Azerbaijani have been taken prisoner, taken hostage, or are missing. The state commission has detailed information on the place of detention of 976. So far the Azerbaijani side has released 156 Armenians without precondition. In return, more that 356 of our compatriots were freed. The Armenian citizens now being kept in our republic for exchange are not war prisoners or hostages. They are people suspected of acts of terror and murder in Azerbaijan. Stating that even these people could be exchanged under certain conditions, Chairman of the State Committee Namik Abbasov said that first of all 58 Azerbaijanis, whose list has been drawn up by the Internal Red Cross, should be returned.

Though in their statements Russian president's plenipotentiary representative Vladimir Kazimirov, and Chairman of the OSCE Minsk Group Anders Bjorner repeatedly defended Azerbaijan's position, the fact that no solid agreement was concluded in the final analysis was cause for regret. The Azerbaijani side's position was both just and principled.

Following long discussions, it was decided to hold a meeting of the conflicting sides and the representatives of OSCE countries at the end of the next week with a view to establishing the position of the opposing side. The position of Republic's state commission was unequivocal: No concession will be made in the exchange of the prisoners and hostages. This springs from the requirements of the just struggle being waged by the entire Azerbaijani people.

SOCAR, Fuel Committee Raise Prices

NC0102162595 Baku TURAN in English 1122 GMT 1 Feb 95

[FBIS Transcribed Text] Baku (February 1) TURAN—Today prices for gas, oil and oil products inside the country are increased. Now 1,000 cubic metres of gas cost 8,000 manats, 1 tons of crude oil—100,000 manats, 1 litre of petrol A-95—1,100 manats, petrol A-92, 93—900 manats, petrol A-72,76—850 manats, 1 litre of diesel fuel - 450 manats, black oil—250 manats, kerosene—290 manats, motor oils - 1,200 manats, industrial oils—700 manats, turbine oils—850 manats, transformer oils—1,100 manats, other oils—900 manats.

The prices for energy infrastructures are increased in accordance with the resolution of SOCAR [Azerbaijan National Oil Company] and the State Committee for Fuel on periodical change of prices for energy infrastructures with account of inflation.

It should be mentioned that until the current increase in prices 1 ton of crude oil on the inner market totaled 35,000 manats, 1 litre of petrol 1-93 was 500 manats.

Georgia

Russian Embassy Sends Protest Note To Foreign Ministry

LD0102170195 Tbilisi Radio Tbilisi Network in Russian 1510 GMT 1 Feb 95

[FBIS Translated Text] The Russian Embassy in Georgia has sent a note of protest to the Georgian Foreign Ministry in connection with the two terrorist acts that occurred in the Georgian capital, Tbilisi, and that were aimed at Russian servicemen. The document demands that the Georgian authorities reinforce protection measures for Russian servicemen carrying out their service in Georgia, and secure the safety of the Russian establishments in the republic.

Shevardnadze Says Fight Against Mafia Has Begun

LD0102181995 Tbilisi IPRINDA in Russian 1500 GMT 1 Jan 95

[FBIS Translated Text] Tbilisi (IPRINDA)—The Georgian Cabinet of Ministers today held a session where

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Georgian Head of State Eduard Shevardnadze participated. The session heard the vice prime ministers' reports on the work carried out by the Cabinet of Ministers and its immediate tasks.

Eduard Shevardnadze stressed that positive changes in leading the country out of a grave economic crisis were palpable. He stressed that the implementation of economic reforms had to be speeded up. Shevardnadze also noted that it was necessary to protect reforms from the Mafia clans and bandit formations. Shevardnadze said the state had already started fighting the Mafia and will follow this sacred course. He concluded by saying that it was necessary to protect the local industrialists and foreign investors.

Shevardnadze on Chechnya, Abkhazia, Separatism

MM0202110595 Moscow IZVESTIYA in Russian 2 Feb 95 p 4

[Interview with President Shevardnadze by Yuriy Moseshvili; in Tbilisi, date not given: "Eduard Shevardnadze: Separatism, Like Nuclear Weapons, Can Contaminate and Destroy the World. Georgian Head of State Used This Comparison To Begin His Interview With Journalist Yuriy Moseshvili, Who Asked Him a Few Questions At IZVESTIYA's Request"]

[FBIS Translated Text] [Moseshvili] The idea that separatism could result in a global catastrophe is used to justify any countermeasures. Isn't this why—unlike the Russian public—many people in Georgia consider the Russian authorities' enforced action in Chechnya to have been justified?

[Shevardnadze] It would be more correct to view this position as the defense of the principle whereby nobody has the right freely and with impunity to break up a state's territory and recarve its borders. Just as nobody—much less the government—is entitled to do nothing in the face of this threat that risks resulting in the unprecedented splintering of human lives and the reshaping of people's destinies.

For the Russian public separatism is an abstract notion. For Georgia and its citizens it is a fait accompli with all the consequences that entails.

[Moseshvili] It is paradoxical, though, that there should be such fair-mindedness with regard to the authorities of a country which, according to widespread opinion in Georgia, did a great deal to promote the rise of Abkhaz separatism (supported by Chechen gunmen and the Dudayev regime), harbored Gamsakhurdia, and turned Groznyy into a nest of provocations against Georgia.

[Shevardnadze] Unfortunately, times of disruption are full of such paradoxes. But I am talking about a principle which must always be upheld everywhere—irrespective of whether it is a question of your own country or someone else's. As for the participants in the war, the people fighting us on the other side were not only Chechen and other North Caucasus gunmen: There were many other Russian citizens who are now ready to fight their former comrades in arms—the Abkhaz "liberators" from Chechnya. But I would like to particularly stress that, now that refugees are streaming into Georgia from Chechnya, they are being received by us without any sense of revenge or grievance.

[Moseshvili] Nonetheless, how do you react to heraing speeches about Russia's territorial integrity and the threat of separatism coming from people who, as it were, denied the existence of these problems in Georgia?

[Shevardnadze] Well, nobody denied it verbally. Boris Nikolayevich Yeltsin has firmly upheld this principle. Admittedly, even in his entourage there were people who inspired separatism in Gudauta by word and deed. Russian Government loans made their way there at an early stage of the conflict. According to my figures, tens of billions of rubles in both private and—let's make no bones about it—state "investment" were invested in Abkhaz separatism. And, along with strong political support—just remember the position adopted by the Russian Federation Supreme Soviet in September 1992—military technical reinforcements constantly flowed into Abkhazia from Russia.

All this, to my mind, was nothing other than an incitement to separatism, which would sooner or later become a Russian problem too.

When conflicts beyond your country are actively used as a way to arrange your own affairs at someone else's expense, sooner or later the bill will have to be paid. Which is what has happened in Russia. Yet there was no shortage of warnings. Whenever I spoke with Russian leaders I never tired of repeating that the destruction of Georgia would be the prologue to the disintegration of Russia.

[Moseshvili] Why? Isn't that claim stretching a point? Laying it on a bit thick—as in your comparison of separatism to nuclear warheads?

[Shevardnadze] No. Separatism is infectious. Having achieved success in one area and having presented a successful model, so to speak, it becomes a chain reaction. And in that respect it is entirely comparable to mass destruction weaponry. It disables entire states and huge regional and international systems. There is no better way of destabilizing a country than to support separatism in it.

The universal adherence to the principles of territorial integrity and the inviolability of borders has kept the peace in postwar Europe, albeit under the conditions of a bipolar Cold War. These principles are usually opposed by the right of self-determination and the rights of minorities. But few people have the courage to recall that the right of self-determination is not absolute and that in its modern international-law interpretation it is inseparable from the obligation of not taking any action liable

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to damage the integrity of the state and its borders. Upholding the rights of minorities, the relevant UN and Organization for Security and Cooperation in Europe documents stipulate the limits of these rights—nothing in them "can be interpreted as permitting any activity that runs counter to the goals and principles of the United Nations and, in particular, as contravening the sovereignty, territorial integrity, and political independence of the state." And it is no accident at all that UN Secretary General Butrus-Ghali warned the world community in his "Agenda for the World" keynote speech: "If every ethnic, religious, or language group stakes a claim to create its own state, this will trigger an unstoppable process of world collapse"....

[Moseshvili] Let's get back to our own affairs, though. Events in and around Chechnya are throwing into additional sharp focus the conflicts in Russia's so-called "near abroad"—including the conflicts in Georgia. The sending of Russian troops to Chechnya 11 December 1994 was reminiscent of the sending of Georgian military units into Abkhazia 14 August 1992.

[Shevardnadze] I categorically reject the term "sending troops" in this context—any state and any authorities are entitled to take all necessary measures within the limits of their own jurisdiction to uphold order. Even if (or even more so if) people want to be independent of this state. Our decision to redeploy troops within our territory to protect the only main transport route was dictated not even so much by the law as by our duty. However unpopular this view may be in Russia, I will say that the Russian leadership had similar obligations in connection with Chechnya. They arose long ago, and we can only regret the delay in resolving the "Chechnya problem" by political means. Permit me, however, to recall that our decree announcing a state of emergency in transportation—which required the troop movement—was not adopted in camera but at a session of the Georgian Supreme Council; no secret was made of it; the authorities in autonomous Abkhazia were informed of the decision and agreed to jointly implement the plan we had proposed.

In other words, there was no massive dispatch of troops, nor could there have been. The 1,700 soldiers and paramilitaries were instructed to set up three posts on the long stretch of railroad between Leselidze and Samtredia, and to accompany the trains.

I will refer to a document that has still not been published. It is a record of my speech at the Supreme Council Presidium session: "We need to ensure stability, but on condition that the military subunits are isolated from population centers. These forces are intended exclusively to protect trains, bridges, crossings, and road infrastructure. No regions should be highlighted. I am referring to all Georgia, although there could be some difficulty in Abkhazia and Potiyskiy and Zugdidskiy Rayons. Weapons should be used only in special cases, when guards are attacked. The planned measures should have the desired results. The main thing is to avoid any unforeseen complications"....

Nonetheless, we did not have to wait long for complications. The very first detachment was shelled. Of course, this was a provocative attack. We suffered our first casualties, which was an immediate bombshell among the masses. Their reaction was exploited by the then defense minister. Violating orders, he made the irresponsible and entirely unsanctioned decision to send troops into Sukhumi.

Extremism and separatism moved into their militarist phase. Conflict and later civil war began in a difficult region, where fundamental geopolitical interests, trends, and claims clashed. Having becoming international in nature, the conflict primarily started serving foreign forces, and the Abkhaz leaders were often out of control of the situation. Could this have ended in a victory for someone? Today it is clear to both the Georgians and the Abkhaz that this war is a disaster for both of them.

[Moseshvili] What is the solution? It seems as though Russia's peacekeeping operation in Abkhazia has run its course. And peacekeeping can hardly be the "profession" of a country that is unable to ensure peace in its own territory. Faith has also been lost in international organizations. There is a growing conviction in the republic that what was taken by force should be taken back by force.

[Shevardnadze] Yes, regrettably, you are right—the peacekeeping operation in Abkhazia in the form in which it has been implemented hitherto has failed to live up to expectations. To be fair, I will say that the Russian leadership, like the world community, does not yet have a clear concept of what constitutes appropriate action in so-called new-generation conflict zones. This idea, I think, is nearer the truth than the suspicions about some kind of Russian neo-imperial aspirations. The form, methods, and tactics by which agreements are implemented is another matter. These are such that some of our countrymen have completely lost faith in the possibility of peaceful solutions, and in Russia's ability to implement them. We can understand them, but it would be rash to follow them. The overwhelming majority in Georgia—both in parliament and among the population—advocate a sensible, balanced, and civilized approach, and political methods of settling the conflict. I fear, however, that the Chechnya situation could complicate a settlement. After all, the tragedy in Chechnya has its origins in Abkhazia. Dudayev has taken up not only Russian weapons and the ability to pump oil, but has also obtained through Sukhumi access to the sea, allowing him to bring in and out whatever and whoever he needs.

The inability or reluctance to stop separatism there has become a subject for discussion in Georgia, but by no means in Russia. But now, following events in Chechnya, which have generated sharp hostility among the

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Russian public, Russia's moral and political right to implement mediation and peacekeeping functions could be called into question.

And that would be very regrettable—not only for Russia. Having seen for myself that not a single international mission in Georgia could cope with its task, because on the whole neither the United Nations nor the CSCE had the will or the ability to envisage the consequences of the rapid transformation of the world and adapt to it, I originally agreed to the Russian peacekeeping mission in Abkhazia.

[Moseshvili] Which, some of the Moscow media claim, was necessary in order to prevent Abkhaz gunmen and weapons entering Chechnya....

[Shevardnadze] I don't know—perhaps in someone's view that was the idea. But I think that security is indivisible—just as, incidentally, the rules governing proper civilized behavior are indivisible. Reprisals against civilians in Abkhazia on ethnic grounds, their deportation, and the destruction of civil aircraft in Sukhumi did not trigger any public protest at the time. Even the wholesale ethnic cleansing of the Georgian population in Abkhazia carried out largely at the hands of Russian citizens produced no human-rights reaction. Yet we are talking about 5,000 civilians killed, 40,000 maimed, and 300,000 turned into exiles in their own country. These crimes against humanity were recorded in a special resolution of the OSCE Budapest summit—something about which, incidentally, the Russian public were not informed, insofar as I am aware. In protesting about the massive human-rights violations in Chechnya, the human-rights campaigners should have recalled the universality of those rights slightly earlier.

In this context the references to an "armed people" are groundless—not one national (much less, international) legal system recognizes and accepts this concept. The only armed part of a people is that part whose duty it is to be armed under the law. Anyone else who is armed is breaking the law.. The law cannot be defended selectively. Otherwise we will get the current result—whereby hidden evil can reproduce with impunity.

[Moseshvili] This is a pessimistic ending. Is the outlook pessimistic as well?

[Shevardnadze] It depends on our ability to listen to each other and meet each other half way. Until recently it had been said that stable democratic development in the independent states neighboring Russia was to its benefit. But certain political groupings in the Russian Federation have made a great effort to hamper this process.

[Moseshvili] It is claimed that events in and around Chechnya could have a negative impact on the integration process within the CIS. Is that so?

[Shevardnadze] Let's see what the February heads of state meeting in Almaty produces. Personally I hope that this will not be the case and that the CIS will be able to implement, apart from anything else, the function of safeguarding collective security.

Steep Price Rises in Abkhazia Lead To Fresh Attacks

LD0102142995 Tbilisi SAKINFORM in Russian 1149 GMT 1 Feb 95

[FBIS Translated Text] [no dateline as received] A SAKINFORM correspondent was told from Zugdidi that in the past few days Abkhaz militants have stepped up their activity in Gali rayon. They are plundering the local Georgian population.

Since Russia sealed off the Russian-Abkhaz border on the river Psou, prices in Abkhazia have tripled or even quadrupled. This prompted the militants to resume plundering the Georgian population in order to obtain goods.

Abkhazia Asks Russia To Reopen Border Crossing

LD0102151095 Moscow ITAR-TASS in English 1327 GMT 1 Feb 95

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Transcribed Text] Sochi February 1 (TASS)—Abkhazian leader Vladislav Ardzinba asked Russia to open its border passing along the River Psou.

In his appeal to Russian Prime Minister Viktor Chernomyrdin on Wednesday [1 February], Ardzinba said that the closure of the border has caused the economic situation in Abkhazia to worsen and put its population, especially ethnic Russians, on the verge of starvation.

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Latvia

Baltic Foreign Ministers' Address Paris Conference

LD0102193195 Riga Radio Riga Network in Latvian 1800 GMT 1 Feb 95

[FBIS Translated Text] At the international conference organized by the Foreign Policy Institutes and Associations of France, Sweden, and Denmark, "The Baltic Countries and European Cooperation," which took place in Paris today, the heads of the Foreign Ministries of the Baltic countries called on the European Union and NATO to give priority to the Baltic countries' efforts to join these organizations, pointing out that the economic reforms, which are proceeding faster than hoped, are helping the Baltic countries to escape from the shadow of Russia. The foreign ministers of all three Baltic countries emphasized that by joining the European Union and NATO, the democratic system in the Baltic countries will become much more stable, and such stability will be beneficial to all, Russia as well. They also pointed out that recently their relations with Russia have improved, especially since the withdrawal of the Russian troops from the Baltic countries. However, Russia's military assault on Chechnya was reminiscent of the occupation of the Baltic countries in 1940.

Ulmanis Meets Russian Envoy; Condemns Chechen Campaign

LD0102191195 Riga Radio Riga Network in Latvian 1700 GMT 1 Feb 95

[FBIS Translated Text] State President Guntis Ulmanis today met Aleksandr Rannikh, the Russian Ambassador to Latvia. The ambassador was apprised of the increasing perplexity and indignation of the Latvian public by the actions of the Russian Armed Forces in Chechnya. Ulmanis emphasized that the deaths of many thousands of people are not and never can be an internal Russian matter only. Particular alarm is aroused by the inadequate means Russia has chosen to settle the crisis, and the evident inability of Russian officials to monitor and coordinate the course of events. The ambassador noted that this problem has created a great burden for Russia, in both the political and the material sense. He expressed the hope that soon, with the holding of new elections, a normalization of the crisis in this region will be attained.

Guntis Ulmanis and Aleksandr Rannikh also discussed several other issues of mutual interest. The president spoke of his impressions of his visit to the Auschwitz camp commemoration. There was an exchange of opinions on the events commemorating the end of the Second World War in Europe. There was also a discussion on the upcoming visit by the Latvian state president to the Latvian community in Krasnoyarsk.

LTF: Russians Prepare To Evict Local Residents

LD0102173795 Riga Radio Riga Network in Latvian 1401 GMT 1 Feb 95

[FBIS Translated Text] According to information at the disposal of the Latvian People's Front [LTF], Russian authorities are preparing to forcefully remove residents from the Punduri station neighborhood in the Baltinava rural district, Balvi district, from their apartments on 6 February. The reason for the action is because they refuse to exchange their Latvian citizenship for Russian. The LTF believes that such action is a gross violation of Latvian border and human rights. The LTF has also called on the Saeima and the government to do everything possible to protect Latvian citizens from the arbitrariness of the Russian authorities.

From early 1993, the Saeima investigation commission for assessment of the work of the Supreme Council and the Council of Ministers of the Republic of Latvia, found that during the previous administration's time in office Russia took Punduri station under its control and set up a border guard and customs post there, thus creating inconvenience for local residents. Such a situation has come about due to the action by the staff of Daugavpils railway administration, who handed part of the railway over to Russia. Russia, for its part, interpreted this as handing over territory.

Lithuania

Defense Minister on 'Fast Rapprochement' With NATO

LD0102174895 Moscow INTERFAX in English 1508 GMT 1 Feb 95

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Vilnius, Feb 1 (INTERFAX)—Lithuania has drafted and passed to NATO representatives in Brussels a report on possible joint actions within the Partnership for Peace program.

"This is one more step towards NATO and integration of the Lithuanian and Western defense structures," the Lithuanian Foreign Ministry's Secretary Albinas Januska told Interfax in Vilnius on Wednesday [1 February].

He believes that the report reflects increasing mutual understanding between Lithuania and NATO, and the growing scope of mutual commitments.

Speaking about the impact of Lithuania's "fast rapprochement" with NATO on relations between Vilnius and Moscow, Januska said that Russia "must be interested in trust building which, undoubtedly, is the best remedy for new lines of tension."

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He noted, however, with reference to the "experience of dealing with Russian officials" that "Russia is not particularly pleased with such developments, although it is not categorically against them, either."

Minister: No Nuclear Waste Storage

LD0102183295 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 1 Feb 95

[FBIS Translated Text] The Ministry of Environment Protection has condemned attempts by various departments to justify bringing cargoes of radioactive substances onto Lithuanian territory, the Baltic News Service reports.

Lithuania must not become a ground to bury radioactive materials and foreign waste, says Bronius Bradauskas, the minister of environment protection, in a statement published today. The minister draws attention to the fact that attempts have become more frequent recently to illegally bring radioactive materials into Lithuania. Various firms are more often applying for permits to bring waste.

The statement mentions the unjustified, according to the minister, permission to allow a radioactive truck to enter the territory at the Medininkai post on the border with Belarus at the end of January, when a cargo of Wolfram, exceeding by hundreds of times the permitted norm of radiation, was taken to the depository of the Ignalina nuclear power station.

According to the minister, border and customs services must take all possible measures to ensure that radioactive substances do not enter the territory of Lithuania without a corresponding permit, and radioactive contraband and waste are returned and taken beyond the borders of Lithuania.

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